ANHEUSER-BUSCH COMPANIES, INC. ANNUAL REPORT 1992

Beer as an
American tradition:
A good part of
the good life

COVER: The Cold Spring Tavern has been quenching the thirst of Californians since the days of the stagecoach more than 100 years ago. (See page 26.)

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Beer as an

AMERICAN TRADITION

A good part of the good life

For more than 125 years, Anheuser-Busch has been proud to brew America's finest beers. The company's uncompromising commitment to quality has been recognized by consumers, and their loyalty has been the cornerstone of our success. For the last 35 years Anheuser-Busch has been the world's largest brewer, and Budweiser remains the King of Beers.

Our commitment to quality is a tradition begun by our founder, Adolphus Busch, well over a century ago. It was, is and will always be our number one priority and a fundamental ingredient in our success.

Beyond our commitment to quality, many things contribute to our success. Dedicated employees, loyal consumers, the best wholesalers in the industry and innovative marketing are critical components. But equally important are the thousands of retail accounts that sell our products in big cities and small towns across America.

This year's annual report is a tribute to this vital link between Anheuser-Busch and consumers. It's a tribute to the diversity that is so much a part of American life. And it's a tribute to those who offer the best of beers to celebrate the best of times.

(In millions, except per share, employee, shareholder and statistical data)

YEAR ENDED DECEMBER 31,	1992	1991	% CHANGE
Barrels of beer sold	86.8	86.0	1.0
Sales	$13,062.3	$12,634.2	3.4
Excise taxes	1,668.6	1,637.9	1.9
Net sales	11,393.7	10,996.3	3.6
Operating income	1,775.7*	1,721.5	3.1
Income before income taxes	1,615.2*	1,520.6	6.2
Before accounting changes for postretirement benefits and income taxes:			
Net income	1,029.2	939.8	9.5
Earnings per share, fully diluted	3.58	3.25	10.2
Including the annual incremental expense related to accounting changes:			
Net income	994.2	939.8	5.8
Earnings per share, fully diluted	3.46	3.25	6.5
Including the annual incremental expense and the one-time cumulative effect (related to prior years) of accounting changes:			
Net income	917.5	939.8	(2.4)
Earnings per share, fully diluted	3.20	3.25	(1.5)
Common stock dividends	338.3	301.1	12.4
Per share	1.20	1.06	13.2
All taxes	2,558.3	2,470.6	3.5
Capital expenditures	737.2	702.5	4.9
Depreciation and amortization	567.0	534.1	6.2
Weighted average shares outstanding:			
Primary	285.8	287.9	(.7)
Fully diluted	290.8	292.9	(.7)
Effective tax rate	38.4%	38.2%	.2
Return on capital employed	12.3%	12.6%	(.3)
Return on shareholders equity	22.0%	23.2%	(1.2)
Fixed charge coverage	7.8 ×	6.4 ×	1.4 ×
FINANCIAL CONDITION AT DECEMBER 31			
Plant and equipment, net	$ 7,523.7	$ 7,196.5	4.6
Total assets	10,537.9	9,986.5	5.5
Long-term debt	2,642.5	2,644.9	(.1)
Common stock and other shareholders equity	4,620.4	4,438.1	4.1
Total debt to total debt plus equity	36.4%	37.3%	(.9)
Number of full-time employees	44,871	44,836	.1
Number of common shareholders	67,273	65,390	2.9

NOTE: 1992 operating income and income before income taxes reflect the 1992 adoption of the new Financial Accounting Standards pertaining to Postretirement Benefits (FAS 106) and Income Taxes (FAS 109). Excluding the financial impact of these Standards, 1992 operating income and income before income taxes would have been $1,830.8 and $1,676.0, respectively.

Anheuser-Busch has just concluded the most successful year in its history. Beer sales volume was at an all-time high, and our industry-leading market share grew to 44.3%.

Consolidated gross sales increased 3.4% to $13.06 billion. After-tax earnings and earnings per share were at record levels of $1.03 billion and $3.58, increases of 9.5% and 10.2%, respectively. After including the ongoing cost associated with the required non-cash accounting adjustments for postretirement benefits (FAS 106) and income taxes (FAS 109), after-tax earnings were $994.2 million and earnings per share were $3.46, representing strong growth of 5.8% and 6.5%, respectively.

While there is much opportunity for growth both domestically and internationally, volume and profit gains will ultimately be earned by continually improving our ability to meet our customers' expectations and by improving every aspect of the company. The responsibility for these tasks falls to all employees, and everyone's involvement will determine our future success. We have always believed that customer and employee satisfaction are the basis of a successful and efficient operation, and this will become even more critical in the future. Empowering our employees to meet or exceed customers' needs most efficiently can be best achieved through a total quality management (TQM) approach.

August A. Busch III

The need for ever-improving quality at lower cost is highlighted by the impact that recent economic conditions have had on the beer industry. Consumers have made it clear that product value is as important when purchasing beer as it is when purchasing any other product. Anheuser-Busch is well-positioned to take advantage of this new "value decade," as it is being called in the press, because of our established strengths—product quality, effective marketing, efficient production and a strong wholesaler distribution system.

In this new environment we must continually review our strategies, our management systems, our processes and our people to ensure future success. The mandate to our management team is clear: lead Anheuser-Busch through the '90s with the best, value-added products, the most efficient operations and the most effective employee team.

Operations Review

In 1992 brewing industry sales volume was essentially level as a result of a recession, the lingering effects of the 1991 excise tax increase and an unusually cool summer. Yet Anheuser-Busch sold 809,000 barrels—or 1%—more than the previous year. Total volume was a record 86.8 million barrels. The company gained four-tenths of a share point to claim 44.3% of the market. Industry trends made it clear that consumers want more light and nonalcohol products, and Anheuser-Busch has the best products to meet those needs. Our light beer volume—led by Bud Light—is growing at double-digit rates, and O'Doul's has taken a leading position in the fast-growing nonalcohol segment.

The company continues to emphasize its premium brands in its marketing mix. Although there was some trading down last year to lower-priced products due to the economic climate, we believe that the high quality of our Budweiser and Michelob families is well-recognized and that these premium products offer good value to the consumer. Consequently, our price promotion policy remains unchanged: we will match but not exceed competitive discounting activity. The Busch and Natural families provide a quality choice for the more price-sensitive consumer and have proven to be effective tactical tools in today's marketing environment.

It is impossible to mention beer pricing without talking briefly about excise taxes. The 1991 100% increase in the excise tax on beer had an enormous impact on the beer industry, and the industry has not recovered. But the impact was felt beyond brewers and their shareholders. The decrement of more than 3% of industry volume cost an estimated 21,000 jobs at breweries, beer wholesalerships and beer retail accounts.

When all the hidden costs of additional unemployment, lost income taxes, administrative and other costs are added up, the incremental revenue generated by the higher tax is reduced

by more than 50%, underscoring its ineffectiveness. In addition, the working men and women of America are hardest hit by this tax.

We now hear talk in Washington of additional excise tax increases. While there is no argument that the deficit needs to be addressed, American beer consumers are already paying their fair share. In the coming months, it will be important for shareholders, employees and suppliers to join with consumers to convince the new administration and Congress that additional taxes on beer will do more harm than good.

At the same time, we must continue to respond to those special interest groups which, under the guise of solving alcohol abuse problems, are actually working to eliminate alcohol consumption. We believe that a positive, rather than punitive, approach will be most effective in the fight against alcohol abuse, and few voices in our society have been more vigorous than ours in seeking to curb abuses and promote moderation. However, unlike our critics, we prefer to do so without penalizing the vast majority of beer consumers, who enjoy our products in moderation—as intended.

Through our Department of Consumer Awareness and Education, we fight alcohol abuse under the "Know When To Say When" banner with a variety of well-funded programs. These include designated driver programs and "Family Talk About Drinking," which encourages parents to talk to their children about drinking.

Programs such as these have helped bring about dramatic reductions in DWI fatalities and teenage consumption. For example, according to the U.S. Department of Transportation, since 1982 there has been a 43% decline in the DWI fatality rate per 100-million-vehicle-miles travelled, and a 47% decline in DWI fatalities among teenagers. And according to the University of Michigan, there has been a 25% decline since 1978 in the percent of high school seniors who drink.

Critics of our industry fail to differentiate between abusive consumption and responsible drinking and seek to impose further restrictions on the sale and promotion of alcohol beverages. In that context, it is important for legislators and public policymakers to consider the many studies here and abroad which show that moderate consumption of alcohol can be beneficial in reducing cardiovascular disease.

While domestic issues remain prominent, we are also turning more and more attention to the international arena, which offers great growth potential. In 1992, Anheuser-Busch International, Inc. sales grew by 14%, with exports up 12% and license and contract brewing up 15%.

In Japan, a new joint venture with Kirin Brewery Company has the potential to capitalize upon Budweiser's position as Japan's leading international brand to make it a mainstream brand in that major beer-consuming country.

We are hopeful that the privatization of Budvar by the government of the Czech Republic, expected to occur during 1993, will bring our long negotiations with that company to a successful conclusion. We are seeking both an end to our dispute over the use of the Budvar trademark in certain European markets and an opportunity to form a strategic partnership with Budvar.

Anheuser-Busch also continues to negotiate for investments and marketing agreements in key markets throughout the world. The company is prepared to devote significant resources to international growth in those instances where it determines that long-term returns will add value to the company.

Packaging operations exceeded our expectations during 1992, with profit contribution up on good volume gains and decreasing prices for cans. Metal Container Corporation attributes its success to TQM and has taken the lead in pioneering this business philosophy at Anheuser-Busch. Through statistical control techniques, employee teams and a quality focus, Metal Container has improved customer satisfaction and increased profits substantially since first integrating TQM principles into its operations more than three years ago.

Campbell Taggart, on the other hand, is just beginning to adopt TQM concepts. In the 10 years since it became an Anheuser-Busch subsidiary, the company has made significant improvements in its plants, distribution systems and product line, resulting in a 10.1% compound growth rate in profit contribution.

However, in 1992 the soft economy prompted consumers to buy more non-branded bakery products. This, in turn, provided little opportunity for Campbell Taggart to pass on cost increases, resulting in a slight decline in profit contribution. As TQM becomes part of the Campbell Taggart culture, we expect to find additional operating efficiencies and product line enhancements that will keep the company growing profitably.

Eagle Snacks has demonstrated an ability to meet consumer demand with high-quality products and to gain significant share in a very competitive market. The industry leader has responded aggressively to Eagle Snacks' growth, which has put further pressures on our snack company's pricing. As a result, Eagle Snacks net sales in 1992 will be up only 6% even though sales volume grew 15%. As the experience at Metal Container has shown, however, this kind of market situation can still provide profits when TQM principles are applied.

Despite a slow economy, the family of 10 Anheuser-Busch theme parks nationwide experienced attendance growth. Vigorous international travel, driven by enhanced international marketing programs and a weak dollar, contributed to making 1992 a successful year. In addition, major new attractions at the parks drew strong local interest.

The end result was that attendance was up for the year and profit contribution increased more than 20%, reflecting employee efforts to find better ways to provide guests with the quality experience they expect at an Anheuser-Busch theme park. With an uncompromising commitment to exceeding their guests' expectations, Busch Entertainment is demonstrating the success of the TQM philosophy.

Conclusion

Dedication to quality management practices is not a new concept for Anheuser-Busch. We have always been committed to producing the highest-quality products possible. We take pride in our efficient facilities and believe in continuously updating and modernizing our operations. We hold our people to high standards and consequently have the best employees in the business. We invest generously to improve the social and environmental quality of our country and communities.

Our future challenge is clear. We must look beyond our past successes and determine how our resources can be best used in the future. We must distinguish honored traditions from a lack of innovative effort. And we must embrace changes in the marketplace, in the work environment and in the relationships we rely on to get our jobs done.

Putting the challenge into words is easy. Meeting it will be harder. But we believe that the key to success lies not in changing our corporate values, but in building on our existing strengths to improve our business, our products and the lives of our employees. That philosophy has made us successful for more than 100 years, and we are confident it will strengthen our leadership position as we move toward the 21st century.

August A. Busch III
Chairman of the Board and President
February 8, 1993

Anheuser-Busch Companies

CORPORATE MISSION STATEMENT

Anheuser-Busch Companies, Inc., is a St. Louis-based diversified corporation whose subsidiaries include the world's largest brewing organization, the country's second-largest producer of fresh-baked goods and the country's second-largest theme park operator.

Anheuser-Busch's corporate mission statement provides the foundation for strategic planning for the company's businesses.

The fundamental premise of the mission statement is that beer is and always will be Anheuser-Busch's core business. In the brewing industry, Anheuser-Busch's goals are to extend its position as the world's leading brewer of quality products; increase its share of the domestic beer market to 50% by the late-1990s; and extend its presence in the international beer market.

In non-beer areas, Anheuser-Busch's existing businesses in food products, packaging and entertainment will continue to be developed. These operations deliver products or services of superior quality; enhance Anheuser-Busch's beer business or benefit from the company's beer operations; and represent opportunities to which Anheuser-Busch can add significant value.

The mission statement also sets forth Anheuser-Busch's belief that the cornerstones of its success are a commitment to quality and maintaining the highest standards of honesty and integrity in its dealings with all stakeholders.

SOCIAL RESPONSIBILITY

During 1992, Anheuser-Busch Companies and its charitable foundations contributed more than $28 million to nonprofit organizations. These contributions were focused in three primary areas.

Minority Development

Anheuser-Busch supports many organizations that work for minority economic development, preservation of cultural heritage, educational opportunities and leadership development.

As the founder and national sponsor of the Lou Rawls Parade of Stars telethon, Anheuser-Busch has helped raise more than $100 million for the United Negro College Fund since 1980.

Anheuser-Busch is also the largest corporate supporter of the National Hispanic Scholarship Fund (NHSF). Since 1981 the company has provided more than 7,800 scholarships and $19 million in support. In 1992, Anheuser-Busch contributed $1 million in scholarships to the NHSF and held a variety of fundraising events such as "Fiesta at Ford's," a network TV special.

In the Asian Pacific American community, Anheuser-Busch supports a wide range of organizations, including the Asian Pacific Women's Network, Asian Business Association, Chinese for Affirmative Action and National Korean Scholarship Federation.

Community Support

Anheuser-Busch has a long-standing commitment to the communities where it operates breweries and other major facilities. The company's corporate contributions program is designed to benefit, strengthen and support those communities through donations to a broad range of local nonprofit organizations, including colleges and universities, healthcare institutions, social service agencies, civic organizations and arts and cultural groups.

Anheuser-Busch also supports and recognizes its employees who actively volunteer their time and talents to nonprofit organizations, making grants to these organizations for unusual or special projects. In addition, through its Matching Gift Program, the company supports the financial commitments made by many of its employees to educational institutions.

Alcohol Issues

Anheuser-Busch continues to provide financial support to independent scientific and medical research programs in the area of alcoholism and alcohol abuse. In 1992 more than $1.5 million was provided to institutions and researchers throughout the country.

Consumer Awareness and Education

Anheuser-Busch has long believed that it is in the company's—and society's—best interest to play an important role in the fight against alcohol abuse. As early as the turn of the century, Anheuser-Busch promoted the importance of moderation.

Ten years ago, with the launching of "Know When To Say When," the company began an aggressive campaign to promote personal responsibility among adults who choose to drink. Today, this program sets the standard for industry responsibility campaigns. This company-wide commitment was recognized on the floor of the U.S. House of Representatives on March 16, 1992, when Anheuser-Busch was commended for its "efforts to be a responsible participant in the fight against alcohol abuse."

The most visible component of "Know When To Say When" is national television, radio, print and billboard advertisements, many of which feature well-known personalities to help drive home the importance of drinking responsibly. In 1992, for example, Anheuser-Busch teamed up with race-car champions Bill Elliott and Kenny Bernstein and with the state troopers of California, Washington and Maryland to remind consumers to use a designated driver.

"Know When To Say When" ads air on high-profile programming such as the World Series, the NCAA basketball tournament, "Good Morning America" and "Today." According to a *USA Today* survey, the three "Know When To Say When" ads that aired during Super Bowl XXVI were among the most-liked commercials of the 42 aired during the game—a testament to the visibility and appeal of the campaign.

The other major component of the "Know When To Say When" campaign includes more than a dozen community-based alcohol awareness and education programs that translate the message of personal responsibility into action. Last year alone, Anheuser-Busch and its wholesalers provided training in responsible-serving techniques to more than 23,000 bartenders and other servers of alcohol; worked with nearly 5,000 local groups to promote the use of designated drivers; and gave more than 27,000 free cab rides home to bar and restaurant patrons.

In 1992, Anheuser-Busch made two of its most popular programs available on videotape. "Family Talk About Drinking" was designed by youth-counseling and education professionals to help parents communicate with their children about alcohol, and "Make the Right Call" is a presentation for high school and college students given by former critical-care nurse Barbara Babb on the dangers of drinking and driving.

Alcohol awareness and education programs like "Know When To Say When" are contributing to positive trends on the alcohol abuse front. According to the U.S. Department of Transportation, between 1991 and 1992 the decrease in alcohol-related auto fatalities was the largest ever recorded for a single year. In the last 10 years, drunk-driving fatalities among teenagers have dropped nearly 50%. And, according to a University of Michigan study, the percentage of high school seniors who report drinking within the past month declined 25% between 1978 and 1991.

Anheuser-Busch's efforts help to underscore the vital distinction between abusive and responsible drinking, which is especially important in the public policy arena. In that context, the company continues to monitor the growing body of scientific literature which indicates that moderate consumption of alcohol beverages produces certain health benefits for many consumers.

Industry and Government Affairs

Anheuser-Busch Companies has always been a constructive participant in national, state and local public policy debates that affect the well-being of the company and its stakeholders. With the assistance of legislative representatives in several major metropolitan areas, in every state capital and in Washington, D.C., the Department of Industry and Government Affairs is well-positioned to defend the company's interests throughout the United States. The department also monitors international developments through consultants retained around the globe.

A central strategy in countering proposals for unfair tax increases, unnecessary marketing restraints or other measures intended to weaken the company is to mobilize Anheuser-Busch employees, wholesalers and suppliers, as well as licensed beverage retailers and beer drinkers, in affected areas. By demonstrating that the company's objectives and concerns are shared by large numbers of citizens, Anheuser-Busch can more effectively gain a hearing from elected officials and government employees.

In order to represent the company most effectively, Industry and Government Affairs believes it is important to understand all facts that are pertinent to policy debates affecting the company and to monitor the positions of anti-drinking activist groups. This approach not only benefits the company by allowing it to better argue issues on their merits, but it contributes to the public welfare by fostering improved government policies.

Anheuser-Busch also interacts with lawmakers by sponsoring research on social problems. For example, research funded through a grant from Anheuser-Busch shows that government programs can be most cost-effective by targeting hard-core abusers rather than penalizing

responsible consumers—who are the vast majority. This research, released in 1992, revealed that nearly 80% of drinking drivers killed in traffic accidents had blood alcohol content levels of .15 or higher—considerably above the legal definition of intoxication. By sponsoring and sharing such research, Anheuser-Busch helps to foster workable, realistic policy options.

All of these activities will pay dividends in the coming year as a large influx of new state and federal lawmakers and the ongoing activities of anti-drinking activists present the company with continued challenges in the legislative arena.

A major issue facing all Americans in 1993 is national and state taxes. Despite the fact that federal excise taxes on beer drinkers were doubled in 1991—the largest such increase in our nation's history—pressures for further increases are expected in 1993. Similarly, many states are actively considering raising beer taxes in response to growing financial pressures. Based on past experience dealing with discriminatory tax increases, and on the growing recognition that beer taxes fall unfairly on average Americans, Industry and Government Affairs is well-prepared to address this issue.

Similarly, proponents of mandated warning messages on all alcohol beverage advertisements must overcome the vast preponderance of available evidence, which shows that advertising does not contribute to abusive or underage drinking. Based on the great weight of available research, and on the company's ability to effectively communicate its position on political issues, action on ad warnings is very unlikely.

Finally, in the area of environmental legislation, Anheuser-Busch's ability to address pending proposals is greatly strengthened by the company's solid reputation for protecting our nation's natural resources. The company's many environmental efforts—including initiatives to eliminate solid waste, foster package recycling and increase the energy efficiency of company operations—put Anheuser-Busch in a good position to play a leadership role in developing public policy. This record of environmental responsibility will hold the company in good stead during the coming year as Congress debates major environmental legislation.

Human Resources

Anheuser-Busch Companies' commitment to quality is reflected both in its products and its people. The company recognizes the importance of human resources in the continued growth and success of its business operations and is dedicated to providing its employees with financially rewarding work and continuing opportunities for personal development.

Corporate Human Resources aligns human resources programs with the business plan of the company. Human resources policies and programs are designed to create an environment that will support the attainment of the company's goals and strategic objectives.

A major focus of the company's training and development program is support of total quality management (TQM). Emphasis is placed on creating experience with TQM principles which focus on improved profitability by satisfying all customer needs through product and service quality, maximizing the value added by all employees and continually improving the systems we use.

The company also believes that its training and development programs, which emphasize continuing education and personal development, can help employees meet the increasingly complex challenges of a more global and diverse marketplace.

Beer & Beer-Related Operations

ANHEUSER-BUSCH, INC.

Anheuser-Busch, Inc., which began operations in 1852 as the Bavarian Brewery, ranks as the world's largest brewer and has held the position of industry leader in the U.S. since 1957. More than four out of every 10 beers sold in the U.S. are Anheuser-Busch products.

In 1992, Anheuser-Busch, Inc. overcame a weak economy, unfavorable weather and the effects of the 1991 federal excise tax increase to achieve record beer sales and volume.

In 1992, Anheuser-Busch, Inc. sold a record 86.8 million barrels, an increase of 1% compared to 1991 sales of 86 million barrels. This volume gain favorably contrasts with a 1/10% gain for the brewing industry in 1992. Anheuser-Busch's gains, built from the largest volume base in the industry, have come despite the lingering effect of the 1991 federal excise tax increase, the second-coldest summer in two decades and continued weak economic conditions.

Anheuser-Busch, Inc. increased its market share in 1992 with sales volume representing approximately 44.3% of total brewing industry sales (including imported and nonalcohol beverages) as estimated by The Beer Institute, compared with 43.9% the previous year.

Net sales of the company's brewing operations rose to $7.60 billion, a 2.5% increase over 1991 net sales of $7.42 billion. Additionally, the company paid federal and state beer excise taxes of $ 1.67 billion in 1992 compared with $1.64 billion in 1991.

The foundation of the company's past success and future growth is primarily attributable to an uncompromising emphasis on quality, the dedication of the company's employees, a solid wholesaler distribution system and a total marketing effort.

In 1992, Anheuser-Busch, Inc. initiated a total quality process that will build on the company's industry leadership and quality reputation. TQM will result in higher customer satisfaction leading to market share and profit growth, higher productivity and greater employee empowerment.

TQM will enhance the substantial efforts made by Anheuser-Busch employees to find better ways to do their jobs while enhancing quality. One example is the employee suggestion program. Approximately 4,400 suggestions were received during 1992, providing substantial benefits to our customers and improved productivity. In addition, the company has an aggressive capital investment program, which has generated expense reductions of $720 million since 1980.

Products/Marketing Strategy

Anheuser-Busch, Inc.'s naturally brewed brands include 14 beer brands, a nonalcohol brew and three high-quality imports. Despite the sluggish performance of the beer industry in 1992, Anheuser-Busch brands did very well overall.

Budweiser remains the King of Beers and continues to dominate across all demographic segments in the U.S. beer market. The brand was strongly supported by marketing and sales promotion efforts such as Bud Bowl IV, the most successful Bud Bowl ever, and the summer-long "Bud Summer Games." Budweiser introduced new Clydesdale and "contemporary adult" advertising that positions Budweiser as "the one beer with the taste as genuine as the people who drink it." The brand also introduced a new campaign called "Beer Talk" in 1992. This campaign communicates to consumers in an educational and entertaining way the unique quality characteristics and heritage of Budweiser.

Bud Light accelerated its growth rate in 1992, significantly outpacing both Miller Lite and Coors Light. Bud Light is now solidly number two in the light-beer category and increased its volume and share lead over Coors Light. Contributing to the brand's excellent performance was a new humorous mainline television campaign, "Make it a Bud Light." Also, the brand stepped up its involvement with geographic-specific marketing in the form of the "Bud Light Spotlight," a program that features real Bud Light drinkers in local television and radio commercials.

Finally, Bud Dry remains the best-selling dry beer in the country with a more than 50% share of category. It is intended to gain new drinkers for the Bud family by positioning itself between regular and light beers, allowing the brand to take advantage of a growing consumer preference for light beers. Bud Dry will continue its award winning "Why Ask Why?" campaign which reinforces the contemporary image of the brand.

Anheuser-Busch's Michelob family—Michelob, Michelob Light, Michelob Dry and Michelob Classic Dark—performed well in 1992. The brands' new ad campaign, titled "Some Days Are Better Than Others," marked a new direction in beer marketing by appealing to both male and female adult beer drinkers. The campaign, which contributed to the family's positive momentum in almost half of the country, will continue in 1993.

Michelob's two premium test market brands—Michelob Golden Draft and Michelob Golden Draft Light—continue to perform well, especially in the Northwest and upper Midwest.

The Busch family of beers maintained solid growth trends in 1992, outperforming the sub-premium-price segment as a whole by a margin of two-to-one. Busch Light was among the fastest-growing major brands in the U.S., with sales increasing more than 25% over 1991. Sponsorship of key

events such as the Busch Grand National Racing Series and strong off-premise sales promotion programs helped the Busch family maintain one of the strongest brand-loyal franchises in the industry. Busch continued to develop its successful "Mountain Man" and western advertising, attracting new consumers for both Busch and Busch Light.

Natural Light remains the number one light brand in the sub-premium-price category and enjoyed its ninth consecutive year of double-digit growth. It is the eighth-largest-selling brand in the country and seventh-largest-selling brand in the key supermarket segment.

O'Doul's—Anheuser-Busch's nonalcohol brew—continues to experience strong growth in this expanding category, with sales increasing at double-digit rates since its introduction in 1990. O'Doul's became the number-one-selling nonalcohol brew in 1992, taking a commanding lead over its nearest competitor. Positioned as "What beer drinkers drink when they're not drinking beer," the brand complements the company's alcohol awareness efforts by offering an alternative for those occasions when a nonalcohol beverage is preferred.

Anheuser-Busch also brews King Cobra malt liquor, the fourth-largest-selling malt liquor in the U.S. King Cobra maintains a quality, contemporary image as "The New Class in Malt Liquor."

The company imports three brands from Denmark: Carlsberg, Carlsberg Light and Elephant Malt Liquor.

In addition to its direct beer-marketing efforts, the company supports many philanthropic organizations, including the Muscular Dystrophy Association. As a national sponsor, the company and its wholesalers raised more than $4 million in 1992 for the annual Jerry Lewis Labor Day Telethon.

Expansion and Modernization

Anheuser-Busch continued to optimize operating efficiencies in 1992 through process improvements and modernizations such as the company's brew house expansion in St. Louis, which will be completed in 1993.

In addition, the company's 13th brewery will begin operations in 1993 in Cartersville, Ga. The most modern and efficient of Anheuser-Busch's breweries, it will provide 6.5 million barrels of new capacity when fully operational.

Distribution

Anheuser-Busch, Inc. wholesalers and company-owned wholesale operations together provide the industry's most effective distribution system, setting standards of excellence and leadership with innovative operations and programs.

Approximately 900 independent wholesalerships distribute Anheuser-Busch, Inc. beers throughout the U.S. Communication—a key strength of Anheuser-Busch, Inc.'s distribution system—is enhanced by the Anheuser-Busch Wholesaler Advisory Panel, which offers wholesalers and company management the opportunity to openly discuss—and act upon—key company, wholesaler and industry issues.

The Wholesale Operations Division of Anheuser-Busch, Inc. operates 10 company-owned distributorships located in Boston; Manhattan/Queens; Louisville; Arlington Heights, Ill.; New Orleans; Tulsa; Denver; and, in California, at Sylmar, Riverside and Stockton. This division is responsible for testing and developing sales and marketing programs designed to build market share and increase productivity for the company and its independent wholesalers. These operations also provide "street-level" insight to management, which results in better understanding of various wholesaler issues. In addition, they serve as a key training ground for future Anheuser-Busch managers.

The Anheuser-Busch Investment Capital Corporation (ABICC), formed in 1984 to share equity positions with qualified partners in Anheuser-Busch, Inc. distributorships, is currently invested in 22 wholesalerships. These investments provide the operating general partners the opportunity to function as independent wholesalers while increasing their equities and building toward total ownership. By providing needed capital for qualified candidates, ABICC plays a prominent role in strengthening the brewer-wholesaler team.

Environmental Stewardship

While concern for the environment is a tradition at Anheuser-Busch, Inc., the attention focused on these efforts has increased significantly over time. The company's commitment to the environment is more than a series of "programs." It is a way of doing business.

Environmental engineers at each brewery monitor all activities to ensure compliance with governmental regulations. In addition, they, along with the breweries' environmental quality committees, look for ways above and beyond regulatory minimum standards to improve the company's performance in the areas of recycling and water and energy conservation. Employees from a variety of disciplines serve on these committees.

Currently the breweries are working toward specific annual objectives in a number of broad categories, including waste minimization, energy and water conservation, and purchasing recycled-content products.

ANHEUSER-BUSCH INTERNATIONAL, INC.

Anheuser-Busch International, formed in 1981 to develop Anheuser-Busch beer brand sales outside the United States, has compiled a record of steady progress in sales, profitability and developing international beer-marketing expertise.

Today, Anheuser-Busch brands are exported to more than 50 countries and brewed under Anheuser-Busch's supervision in five countries. Anheuser-Busch International posted record volume and profits in 1992, reflecting growth in existing markets and aggressive export expansion. Volume was up more than 10%, with strong growth in all three operating regions.

Anheuser-Busch Europe, Inc.

Anheuser-Busch European Trade Ltd. was formed in 1990 to develop the sales, distribution and marketing of Anheuser-Busch beer brands in Europe. A-B Europe, Inc. will continue to oversee the efforts of Anheuser-Busch's licensed-brewing partners.

European sales continue to outperform the industry, with volume up more than 25% in 1992. These gains were made primarily in the established markets. Anheuser-Busch now trades in 16 European countries, including nine of the 12 EEC member states.

In the Republic of Ireland, Budweiser has been brewed, marketed and distributed since 1986 under a licensing agreement with Guinness-Ireland. The brand achieved volume growth of more than 50% in 1992, and is now firmly established as one of the leading brands in the highly competitive lager segment, with a market share of 11%.

Anheuser-Busch Asia, Inc.

In 1992, Budweiser enjoyed a volume increase in Japan of more than 10%, four times the industry growth rate. Budweiser is firmly established as the leading international beer brand in Japan, with a share exceeding 60% of the international category. A new joint venture agreement with Kirin Brewery Company will provide both marketing control and an effective distribution network to lay a foundation for accelerated growth.

In 1986, a licensed-brewing agreement was signed with Oriental Brewing Co., Ltd., of Seoul, South Korea. Budweiser has established a share in excess of 60% of the international beer brands category in that country.

Anheuser-Busch International/Americas

In Canada, Budweiser and Bud Light continue to be brewed and distributed by Labatt Brewing Company. Sales volume increased by more than 6% in 1992. Busch and O'Doul's were introduced in the Canadian market in 1991 and continue to perform very well.

In Mexico, Budweiser continued its strong performance in 1992. The brand is available through an export distribution agreement with Modelo, S.A., the largest Mexican brewer. Other exports to Central and South America performed well, and new market opportunities are continually being explored.

The world beer market provides excellent growth opportunities for Anheuser-Busch in its core business. In the future, Anheuser-Busch International will pursue more aggressively the dual objectives of building Budweiser's worldwide presence and establishing a significant international business operation through equity investments and joint ventures.

Busch Agricultural Resources, Inc.

Busch Agricultural Resources continues in its primary role of supporting Anheuser-Busch, Inc. in the areas of high-quality raw materials supply and land application of process water.

Busch Agricultural supports the Anheuser-Busch breweries by operating three malt plants, in Moorhead, Minn.; Manitowoc, Wis.; and Idaho Falls, Idaho. Together, they supply one-third of Anheuser-Busch's malt needs.

The subsidiary operates two rice mills—in Woodland, Calif., and Jonesboro, Ark.—which are capable of processing 50% of the company's brewing rice requirements. Busch Agricultural also operates Gourmet House, Inc., a wild-rice processing and sales company located in Clearbrook, Minn. Rice research centers have also been established in Jonesboro, Ark., and Pleasant Grove, Calif., to investigate and develop new rice varieties for use in brewing.

New varieties of malting barley are developed at the subsidiary's barley research center in Fort Collins, Colo. This research effort continues to be the largest in North America.

Busch Agricultural's 12 elevators and four seed processing plants supply approved malting barley varieties to growers and receive their malting barley crop. The plants are strategically located throughout the upper Midwest and Intermountain areas of the U.S. to ensure a consistent, high-quality malting barley supply of the varieties preferred by Anheuser-Busch. These company-owned facilities can handle more than 50% of Anheuser-Busch's total malting barley requirements.

Elk Mountain Hop Farms, a 2,000-acre hop farm located near Bonners Ferry, Idaho, supplies approximately 7% of Anheuser-Busch, Inc.'s hop requirements. In addition, Busch Agricultural owns and operates a hop farm in Huell, Germany, and a European barley research office in Zaragoza, Spain.

Busch Agricultural also operates Nutri-Turf, Inc. The objective of this operation is to significantly reduce utility expenses at breweries and snack plants through land application of process water to turf or alfalfa crops. Nutri-Turf operations are located in Jacksonville, Fla.; Fort Collins, Colo.; Robersonville, N.C.; and Fayetteville, Tenn.

Anheuser-Busch Recycling Corporation

Anheuser-Busch Recycling Corporation (ABRC) had a very successful year in 1992, recycling more than 550 million pounds of used aluminum beverage cans—the equivalent of more than 93% of the Anheuser-Busch beer cans that are sold.

In addition to used aluminum beverage cans, ABRC recycled 81 million pounds of glass (153 million bottles) and 35 million pounds of paper goods. In 1993, ABRC has begun operating a new glass recycling facility in Bridgeport, N.J., which will recycle 100 million pounds of glass beverage containers each year.

ABRC operations reflect Anheuser-Busch's concern for reducing litter, reclaiming vital raw materials used in packaging, addressing the country's solid waste problem and providing a positive alternative to mandatory deposit legislation.

More than 1,000 Anheuser-Busch, Inc. wholesaler operations and other recycling organizations are active in the voluntary recycling programs established and supported by ABRC. The subsidiary provides equipment, advertising and marketing expertise to these centers. ABRC also works with independent recycling companies and municipalities to provide a market for their materials.

The Bridgeport, N.J., plant brings the number of ABRC processing facilities to six. Other facilities are located in Charlotte, N.C.; Cocoa, Fla.; Marion, Ohio; Nashua, N.H.; and Union City, Calif. These plants collect and process aluminum, glass and corrugated paper for shipment back to the primary producers of these products. The Marion and Nashua facilities' major operation is to sort, inspect, package and ship returnable bottles to the Anheuser-Busch breweries in Columbus, Ohio, and Merrimack, N.H.

Metal Container Corporation

Metal Container Corporation (MCC), the third-largest U.S. aluminum beverage container manufacturer, increased its market share to 16% in 1992. MCC operates 10 can and lid plants, and will complete construction of its 11th facility in Rome, Ga. in 1993. The plant, which will manufacture cans for Anheuser-Busch, Inc.'s newest brewery in Cartersville, Ga., is the first can plant to be built in the U.S. since 1989.

In addition to supplying the majority of its output to Anheuser-Busch, Inc., Metal Container has established commercial partnerships with several significant soft-drink bottlers throughout the United States. The subsidiary also sells some containers in export markets.

Metal Container continues to build on its reputation as a supplier of high-quality aluminum beverage containers. The company remains committed to the principles of total quality management to enhance customer satisfaction with its products and service.

International Label Company (Joint Venture)

International Label Company is a joint venture between Illochroma International, S.A., of Brussels, Belgium, and Metal Label Company, a wholly owned subsidiary of Anheuser-Busch Companies.

In 1992, International Label continued to expand sales in the current label business as well as the sales of unprinted metalized paper to other printers. Significant future growth opportunities are becoming available as aluminum-foil laminates are replaced by the environmentally friendly metalized paper.

In addition to providing labels for Anheuser-Busch, International Label also serves customers in the food, petroleum, paint, household products and beverage industries.

Busch Creative Services Corporation

Busch Creative Services Corporation, Anheuser-Busch's creative marketing communications subsidiary, again achieved record sales in 1992 as it continued to diversify its client base for its major product lines—sales promotion and business meetings. Busch Creative added offices in Chicago and Detroit and produced award-winning materials and events for Anheuser-Busch Companies and other Fortune 500 corporations.

Innervision Productions, Inc.—Busch Creative's video production and post-production subsidiary located in St. Louis County—expanded its post-production capabilities with the addition of a satellite video editing suite in downtown St. Louis.

Optimus, Inc.—the company's Chicago film and video post-production subsidiary—continues to be the leading supplier of film and video editorial services to the Chicago advertising community.

St. Louis Refrigerator Car Company/Manufacturers Railway Company

St. Louis Refrigerator Car Company, in business since 1878, rebuilds, repairs and maintains railcars for major railroads and fleet operators at three shops in Missouri and Illinois.

Manufacturers Railway Company, which was 105 years old in 1992, provides rail switching services to St. Louis industries. Its fleet of railcars is used by Anheuser-Busch and other shippers. Manufacturers Railway subsidiaries furnish trucking and warehouse services to six Anheuser-Busch brewery locations, including St. Louis, Mo.; Houston, Texas; Van Nuys, Calif.; Fort Collins, Colo.; Baldwinsville, N.Y.; and Williamsburg, Va.

Anheuser-Busch

Beer as an

AMERICAN TRADITION

A good part of the good life

In St. Albans, Mo. (population 200), the Head General Store has been the center of town life for more than 50 years. It's where people gather to shop, converse and listen to the advice dispensed by owner Mae Head. And for that same 50 years, it's where people have come to buy Budweiser, the King of Beers.

In Hartington, Neb., the Chief Bar has been the scene of happy times for family and friends for 20 years. Owners Roger and Betty Merkel have witnessed the celebration of hundreds of weddings, anniversaries, birthdays and retirements. So has Budweiser.

In small towns and big cities across America, retailers like the Head General Store and the Chief Bar contribute to the quality of life in their communities.

In this year's annual report, we've chosen to highlight five very special and unique accounts that offer our fine beers. Through the years, Anheuser-Busch has diversified in new directions, but beer is and will always remain our first priority. And the thousands of retail outlets across this country are the lifeblood of the brewing industry.

We hope you enjoy this small slice of Americana.

In colonial times, taverns were the center of social life. Today 20th-century visitors to Williamsburg, Va., can eat and drink in the same places frequented by such famous patriots as George Washington, Thomas Jefferson and Patrick Henry.

The taverns of Colonial Williamsburg...

Where Patriots Met

IN THE EARLY MORNING, Colonial Williamsburg is gently quiet. The clip-clop of horses' hooves echoes on the cobblestones and a bell tolls softly in the church tower.

During the day, the town is bustling. Ox carts and carriages make their way down the streets, and a blacksmith's hammering mingles with the distant music of a fife and drum corps.

In the evening, the town changes again. Quiet and unilluminated for the most part, the darkness is periodically broken by golden candlelight spilling from the windows of four colonial taverns. Here, music and laughter reign as good food is washed down with mugs of beer and ale.

Williamsburg, in all its moods, is truly history come alive. Restored in painstaking and meticulous detail under the direction of John D. Rockefeller Jr., it is a living museum complete with authentic music, attire, shops, entertainment, food and drink.

While history can be experienced everywhere in the 173-acre restored town, it is perhaps most vivid in the four operating taverns. And that seems appropriate. In colonial days, taverns were the place to be—at least for the gentlemen. They functioned as a combination hotel (often three to a bed—but who's counting?), restaurant, bar and all-around social center.

"Our visitors know that our taverns are part of the living museum, so they are looking for a total and authentic experience when they dine here," says Jim Ryan, vice president and general manager of colonial taverns and support services for Colonial Williamsburg H-P-I, a business subsidiary of the Colonial Williamsburg Foundation. "At the same time, we have made some modern concessions. In colonial days, for example, taverns only offered one item each day on their menus. Today we offer a broader selection. But many of the items—like Brunswick stew and Welsh rarebit—were served in the colonial period."

While taverns were multi-purpose establishments in colonial days, the enjoyment of beer was certainly a predominant part of tavern life.

"Let's just say that a lot of heavy decisions were made at the Raleigh Tavern over a good mug of beer," Ryan says with a smile. "Beer was a popular colonial beverage, and often each tavern brewed its own. Beer and ale were very common and accepted beverages during this period. It was what gentlemen drank when they socialized."

Colonial Williamsburg operates four taverns today—Christiana Campbell's (George Washington's favorite), Shields, Chownings and King's Arms. Two

The taverns were a popular gathering place for the patriots, and the colonial ambience has been preserved for modern-day visitors.

others—the Raleigh and Wetherburn—are restored and open to visitors but do not serve food or beverages.

Each year the four operating taverns serve one million people. That's a tall order for these relatively small facilities. Since everything must be authentic above ground, basements have been carved out under the buildings to accommodate the modern kitchens. The quarters are still tight, and a system of dumbwaiters transports the food upstairs.

Authenticity is emphasized in Williamsburg. All deliveries must be made early in the morning because the main street is closed to cars and trucks during the day.

Thanksgiving is the busiest day of the year, with more than 4,000 guests served in the four taverns. But it shouldn't be surprising that so many families choose to come to Colonial Williamsburg for this American holiday. After all, America's roots can be traced to this spot—and perhaps to the taverns themselves.

Ryan says that at least six or eight taverns operated in Williamsburg at all times during its reign as the capital of Virginia, from 1706 to 1780. They were especially busy during the sessions of the House of Burgesses, which met in the capitol building and drew representatives from all over Virginia.

It was during these sessions that the fiery orator Patrick Henry sparked debates over the relationship between England and America. And when the House of Burgesses was disbanded by the English governor, the patriots chose to continue their meetings at the Raleigh Tavern. As a result, this tavern played a pivotal role in American history. It was here that the patriots met in 1774 to issue the call for the first Continental Congress. And it was from Williamsburg, in 1776, that the Virginia leaders initiated the call for the Declaration of Independence.

While George Washington, Patrick Henry and Thomas Jefferson would recognize much about Williamsburg today, there have been a few improvements in the taverns. For one thing, there are more choices on the menus. And in place of the idiosyncratic tavern beers of old, Anheuser-Busch brands like Michelob Light and O'Doul's—not to mention America's favorite beer, Budweiser—are available.

And somehow, despite its "royal" title, the King of Beers seems right at home in this cradle of democracy.

(The Colonial Williamsburg taverns are serviced by M. Price Distributing of Hampton, Va.)

Kansas City, Mo., may be known as the city of fountains. But with the help of Ollie Gates, it's also known as the city of barbecue.

Owner Ollie Gates

In the heartland of America, Gates creates...

A Taste for Barbecue

BACK IN 1945, long before the era of specialty fast-food take-out restaurants, George and Arzelia Gates opened a restaurant that served one thing—barbecue. It was the kind of place where you went up to a counter, placed your order, and then took your food home or to a table in the restaurant. It was an enterprise ahead of its time in many ways, opened on hope and a shoestring.

Gates Bar-B-Q survived those tough, early years. And later, under the direction of George and Arzelia's son, Ollie, it prospered. Today there are seven locations; six varieties of the famous sauce are being tested or sold in grocery and specialty stores; and more than 200 people are employed.

By many definitions of success, Ollie Gates has "made it." But it hasn't been easy.

"I remember when we wanted to open our second restaurant in 1970. I went to the Small Business Administration to ask for a loan and was told I was moving too fast. Two restaurants in 25 years. I guess that was a bit fast," he says with dry wit.

Eventually Gates got the loan, but he's never forgotten the early years.

"When dad opened the restaurant, I was in high school. So I was quickly enrolled in a masonry class and then put to work building the first barbecue pit. After that, I was chief dish washer, clean-up man, janitor or whatever was needed."

By the time Gates finished high school, he'd had enough of barbecue.

"I had so much smoke in my eyes by then that I vowed never to go back into the barbecue business," he says.

But fate has a way of intervening. After college and army service, Gates returned to Kansas City with a wife and five children. In 1958, bricklaying jobs were hard to find. So it was back to the barbecue.

He and his father "banged heads" for four years, says Gates, before he opened his own restaurant, then a second. When his father died in 1960, his mother continued to run the original family restaurant, eventually asking Gates in 1974 to take over that location.

"Everything was pretty run down in the restaurant—and in the area," he says. "Everyone was leaving. I knew the only way to be successful there was to rebuild the neighborhood."

So he did. Eighteen years and four million dollars later, he can now look with pride at eight blocks that have been virtually rebuilt with shopping malls,

Bud and barbecue are a winning combination for Gates Bar-B-Q.

renovated single-family housing and apartment buildings.

But that effort is in keeping with Gates' philosophy of civic involvement, demonstrated also by his roles as president of the Parks Commission board and chairman of the light rail committee.

Finding the time to manage both civic and business responsibilities is a challenge. These days he leaves the barbecuing to his highly skilled staff. But he keeps his finger on the pulse of the business.

"I get around enough to keep everyone on their toes," he says. "And I spend every Thursday at our research location, tasting. I don't want to have to come up with a 'new and improved' version of our original recipe."

That recipe, by the way, was developed by Gates' father.

"When my dad bought the original restaurant, there was a cook there by the name of Arthur Pinkard," says Gates. "He was about 70 years old, and he taught my dad the rudiments of handling spices. With that knowledge, my dad went on to develop our original sauce.

"And it goes great with beer. You know, there are certain foods that call for beer. Barbecue is like that for a lot of people. We have Bud on tap at our restaurants, and it's very popular. Once, because of a mix-up, we didn't have our Bud. And believe me, we had some unhappy people."

The cold beer is served in frosted mugs and is a perfect accompaniment to the tangy barbecue and thick-cut fries that are typical Gates fare.

The popularity of Gates Bar-B-Q is also a testament to the training that Gates gives his staff at Rib Tech.

"We train everyone, from an orientation for new employees all the way up to barbecuing. And those people are carefully selected. You have to have the eye and the feel for barbecue. If handled right, it's an art. All of our barbecuing is done over an open wood fire and requires constant monitoring."

Gates' insistence on quality is one of the reasons he's never seriously considered franchising.

"It's very difficult to maintain quality standards in a large operation. And quality is the key to success," he says.

Anheuser-Busch would agree. A commitment to quality has always been a hallmark of the company. So the merging of two quality traditions—Budweiser and Gates Bar-B-Q— seems appropriate.

And that tradition is enjoyed by Gates' customers—an eclectic group that includes white- and blue-collar workers, college students, tourists and celebrities such as Bill Cosby, Michael Jackson, Wayne Newton, Lou Rawls and Jimmy Carter.

"Everyone likes barbecue," says Gates. "It crosses all boundaries."

Just like America's favorite beer—Budweiser.

(The Kansas City, Mo., locations of Gates Bar-B-Q are serviced by United Beverage of Kansas City.)

For nearly 50 years, Gates Bar-B-Q has satisfied Kansas City's appetite for mouth-watering ribs cooked over an open wood fire.

In political-minded New Hampshire, Robie's Country Store is just the place for a candidate to gain some "northeastern exposure."

How a quaint country store became...

First Stop to the White House

SINCE 1850, Robie's Country Store in Hooksett, N.H., has survived five wars, a depression and the Great Flood of 1936.

Not to mention 11 presidential primaries.

With its rustic appearance and New England charm, Robie's has become—for better or worse—a seldom-missed photo opportunity for modern-day presidential candidates as they stump through the state during the highly publicized New Hampshire primaries.

To owners Lloyd and Dorothy Robie, the attention certainly has its advantages.

"We've had people from all over the country actually seek us out after they've seen some candidate on the news standing in front of our store. It gets kind of hectic at times, but we love it," says Dorothy.

"It's also interesting for us to watch what happens to the candidates who stop by our store," her husband adds. "We never know at the time if the candidate we're talking to will just fade away or end up becoming president of the country."

To prove his point, Lloyd points to a wall of photographs behind the checkout counter which show the Robies with a variety of presidential might-have-beens from the past decade.

"I guess it could have been President Al Haig or President Bob Kerry, but that early in the game you just can't tell," he says, looking over his collection. "Here's one of Al Gore, but it was from when he was running for president, not vice president."

Lloyd recalls one day in 1976 when his wife asked him to come out of the storeroom because someone named Jimmy Carter was calling. "I said 'Jimmy who?' I thought he was an insurance salesman," Lloyd says with a laugh.

Four years later, Dorothy would have the chance to tell the story to then-First Lady Rosalyn Carter, for whom she hosted a luncheon at the store in anticipation of the 1980 primaries.

Despite the store's penchant for attracting the rich and powerful, the Robie's most important customers are not likely to be recognized outside their own hometown. They are friends and neighbors in the village of Hooksett, who have helped the store to thrive for more than 140 years. Many of the town's residents, like their parents and grandparents before them, stop by Robie's daily for a cup of coffee and some good conversation—or maybe just a six-pack of Bud to go.

A couple of Robie's Country Store regulars meet at the pickle barrel for a friendly game of checkers. Antiques and curios line the shelves of the 142-year-old store.

As the fourth generation of Robies to own the store, Lloyd and Dorothy strive to maintain both the appearance and traditions of an old-time general store. In a scene more reminiscent of 1892 than 1992, two elderly gentlemen sit near a pickle barrel, playing a spirited game of checkers. A pot of baked beans simmers on an old cast-iron stove while a sleepy cat named Tom purrs contentedly nearby.

Amidst the Robie's antique collection—which includes a hand-pumped vacuum cleaner, Edison gramophone and cream separator—are the modern day staples that keep the store in business today.

"A loaf of bread, a gallon of milk or a six-pack of beer—those are our biggest sellers. We stock most of the things that convenience stores do," says Dorothy.

"Budweiser is definitely our best seller," says Lloyd. "It was the first beer we put in when Dorothy and I took over the store in 1965 and it's been on top ever since."

Owners Dorothy and Lloyd Robie

Dorothy and Lloyd Robie are the fourth generation of Robies to run the country store. Budweiser has been the store's best-selling beer since it was put on the shelves 27 years ago.

Despite its appeal as a place to pick up last-minute items, Robie's Country Store is first and foremost a place to "socialize, gossip and stay in touch," says Dorothy. The store also serves as a communications network of sorts. A counter is filled with notes and packages that are to be passed along from one store "regular" to another as they stop in as part of their daily routine.

While generations of the Robie family have found a permanent place in the hearts of many Hooksett residents, Lloyd and Dorothy may be the last of the line to run the country store. Their children have chosen different careers, and the proliferation of convenience stores is chipping away at their profits.

"It simply may not be a feasible business for the future," Lloyd says. "We'll just have to hope."

Fortunately, the Robie's—like the dozens of presidential candidates who have come to their store—know that hope is something New Hampshire has in abundance.

(Robie's Country Store is serviced by Great State Beverages of Manchester, N.H.)

In 1693 the Jaramillo family settled in New Mexico. Today, eight generations later, guests are welcomed into the ancestral home for a true taste of local cuisine.

At Rancho de Chimayo...

Tradition is a Way of Life

ALONG THE HIGH ROAD from Santa Fe to Taos, in a fertile river valley of the Sangre de Cristo Mountains, lies the small town of Chimayo. It is reached via a spectacular, winding drive over rolling desert terrain and mesas backed by mountains that create a ghostly blue outline in the distance.

Owner Florence Jaramillo

Chimayo is known for many things: weaving, wood carving and El Santuario, a Christian pilgrimage site.

But it is also known for its chile peppers, which are the most distinguishing element of traditional New Mexican cuisine. And Rancho de Chimayo has become known as a mecca for aficionados of this local specialty.

"I talked to someone from the East at a recent National Restaurant Board meeting," says Florence Jaramillo, owner of Rancho de Chimayo. "We were discussing the ingredients for chile, and she said that she made it with two pounds of ground beef and two tablespoons of chile." Jaramillo smiles. "I told her to reverse those proportions for New Mexican chile."

She should know. When Rancho de Chimayo opened in 1965, it featured dishes made from traditional recipes that had been in the Jaramillo family for generations.

"All the recipes had to be enlarged, of course, without changing the flavor. We experimented quite a bit during the first year or two. But we eventually got the proportions right, and we still use those recipes today."

Opening a restaurant in Chimayo was an ambitious—and often difficult—undertaking.

"The early years were challenging," Jaramillo says. "Financing was very difficult to obtain. The family had no experience in the restaurant business and we weren't on a main highway. Even our accountant told us to give up. But that just made us try harder. We had so much faith that we could do this."

In those early days, Jaramillo supplemented the restaurant income by doing accounting work in Santa Fe, some 30 miles south.

"That was the only way to make ends meet," she says. "On the weekends I cooked or worked

Chimayo chile peppers are a key ingredient in many of the generations-old family recipes served at the restaurant.

the floor. I did that for about 10 years. But it worked out okay, because in those days our food orders were too small for delivery. So after work in Santa Fe I'd load up the car and bring the food back with me."

Beer, however, has always been delivered.

"The Budweiser people have been very good," she says. "And that's one thing we knew right from the beginning. We had to have an alcohol beverage license. Beer and New Mexican food are a natural combination. The nature of the food is such that it is complemented by beer."

Everything at Rancho de Chimayo is made from scratch, and Jaramillo still spends a great deal of time in the kitchen cooking, tasting and overseeing.

"We even used to make our own tamales," she says. "Six women would come in at ten o'clock at night and work till eight in the morning to make a supply of about 300 dozen tamales. But eventually the volume just got too much for us. Our tamales are still made the traditional way, but someone here in Chimayo makes them for us."

Rancho de Chimayo has become a family tradition, with a second generation now returning to work in the restaurant or to enjoy the authentic New Mexican cuisine.

Today Rancho de Chimayo's success is assured. The staff has grown from 12 in the early days to 120 during the peak summer season. The original three small dining rooms have been extended to include a covered veranda and several adobe terraces for outdoor dining. And a steady clientele of local residents and tourists keeps the kitchen busy, serving more than 600 people each day in peak season.

The popularity of the restaurant is gratifying to Jaramillo, given the demanding nature of the business.

"It's very hard work," she says. "You have to be here nights and weekends. We work when other people play. But if you like challenges, and you want every day to be different, this is the business to be in."

While Rancho de Chimayo has achieved quite a bit of recognition—it was named one of the nation's top 10 restaurants in 1988 by *Nation's Restaurant News*—Jaramillo isn't one to rest on her laurels.

"We've done well," she acknowledges. "But I still learn something new every day, so I believe there's always room for improvement. I want this restaurant to be number one in everything ."

In that case, Rancho de Chimayo serves the right beer, because Budweiser is the number one beer in the nation. And given the product's long and proud heritage, it is right at home in this land of tradition.

And tradition is strong at Rancho de Chimayo. The old adobe walls of the former family residence are adorned with photos from many generations of the Jaramillo family. Two hand-carved china cabinets crafted by Jaramillo's grandfather adorn one of the dining rooms. And locally woven drapes hang at the windows.

"You know, grandfather always worried that the local traditions would not be carried on," Jaramillo says. "So I think he'd be happy that we're sharing the traditional New Mexican cuisine with our guests."

(Rancho de Chimayo is serviced by the Santa Fe branch of Premier Distributing.)

The stagecoaches have long since disappeared, but the Cold Spring Tavern still stands ready to welcome weary travelers with a hearty meal and a cold Bud.

Once a wild West stage stop, now...

A California Classic

HIGH ABOVE THE CITY of Santa Barbara, nestled in the heart of the San Marcos Pass, a quaint country tavern provides a rare glimpse into a nearly forgotten chapter of California history—the stagecoach days.

Manager Mark Larsen and his wife, Suzanna

Indeed, little has changed at the Cold Spring Tavern since its early days as a stagecoach stop. Standing on the dusty road leading up to the rustic plank and stone structure, one can almost hear the crack of the whip and the rumble of hooves as an arriving stage rolls through the pass. If the walls of the Cold Spring Tavern could talk, they'd speak of the thousands of colorful characters who once found solace here from dusty roads and the wilds of the old West.

Today, as then, a stop at Cold Spring includes not only the tavern, but a small driver's quarters—now used as a curio shop—and a nearby bunkhouse, which was built to house road workers. Next door to the original tavern, which serves primarily as a restaurant, is a log cabin that once housed a spring-water bottling operation and currently serves as an annex to the tavern.

Despite its historical significance, it is still a mystery as to who built the tavern, or when. Local historians estimate it was built around 1868—near the beginning of the 40-year reign of the stagecoach. But unlike many stage stops, which faded away in the early 1900s as stagecoaches were replaced by more efficient and speedy rail travel, Cold Spring continued to exist as a popular tourist attraction and traveler's rest stop.

From Ike and Ida Becktell, who in the mid-1890s turned the tavern into a cottage operation and welcomed their guests with a pot of chile beans and a cold beverage, to "Pop" Green, who would 30 years later run down the road to greet each arriving guest with a raucous salute on his bagpipe, the owners have often been as colorful as their tavern. The Becktells, in fact, loved to relate stories of famous visitors who stopped by the tavern, including the noted suffragist Susan B. Anthony.

According to their account, as retold in *Stagecoach Days* by Santa Barbara historian Walker A. Tompkins, Anthony surprised her hosts by arriving not in, but atop the stagecoach, sharing the driver's seat. It seems she was engaged in a heated exchange with the driver and climbed up on his seat to continue the debate. Upon arrival, the driver jumped down and began helping his other passengers out of the coach, leaving Anthony to climb down over the front wheel unassisted. Hearing the driver yell to Ida Becktell, "I've got half a hog for you. Should I hang it in the springhouse?" the infuriated Anthony chimed in, "I've got a whole hog for you. He was just driving this coach."

The Cold Spring property is currently owned by free-lance writer Audrey Ovington, who inherited the property from her mother, Adelaide, a former Broadway actress who bought the tavern and surrounding acreage in 1941. For the past 12 years, the tavern has been operated by Mark Larsen, a young southern California entrepreneur, who takes his role as "guardian" very seriously.

A sturdy stone fireplace that warmed stagecoach passengers 120 years ago now provides a cozy setting for Californians who enjoy the tavern's rustic atmosphere.

"Everyone who has ever owned the Cold Spring Tavern has been fanatical about keeping it authentic. Our goal is to have people come back 10 or 20 years later and have it look exactly the same," Larsen says.

And people do come back. The tavern advertises little and depends primarily on word of mouth and repeat visitors to sustain itself. Larsen says he may not see someone for five years, "but they always come back eventually so they can introduce the place to someone else."

Salespersons for Anheuser-Busch wholesaler Pacific Beverage travel 15 miles on winding mountain roads to deliver the tavern's favorite beer: Budweiser.

Ensuring the tavern maintains its integrity can be an expensive and time-consuming process. In repairing a leaky roof, for instance, Larsen insisted that no new materials be used. Instead, pieces of wood that could be safely removed from an unseen portion of the structure were used in lieu of new lumber.

"This tavern has survived a fire that destroyed most of the canyon, torrential rains and a few unpredictable snowstorms. The one thing it would not survive is an owner who failed to treat it with the respect it deserves," Larsen says.

The atmosphere at Cold Spring Tavern is decidedly informal—even whimsical. Guests are greeted by a mounted bear head with a sign that reads "One of four customers who didn't pay his bill" and are warned by the waiter that an occasional skunk or raccoon has been known to invite himself to dinner. Newspaper articles lining the walls from the '50s, '60s and '70s mark the passing of various dog mascots who made their home at Cold Spring Tavern and were loved by employees and customers alike.

According to Larsen, everything from the atmosphere to the food and beverages served is designed "to make our customers feel like the place is their own." That includes providing a menu that recreates the flavor of the old West—wild game and fresh brook trout are offered, for example—to serving California's favorite beer: Budweiser.

"I've seen customers walking around the grounds, giving tours, pointing out small items of interest to their friends," Larsen says. "They act like they own the place, and as far as I'm concerned, that's the highest compliment we could possibly receive."

(Cold Spring Tavern is serviced by Pacific Beverage of Santa Barbara, Calif.)

Entertainment Operations

Anheuser-Busch's commitment to conservation and education is illustrated by the many programs at Busch Gardens and Sea World that promote understanding of and appreciation for the natural world.

BUSCH ENTERTAINMENT CORPORATION

In 1992, Busch Entertainment Corporation acquired Water Country USA in Williamsburg, Va. Other Anheuser-Busch theme parks include Busch Gardens in Tampa, Fla., and Williamsburg; Cypress Gardens in Winter Haven, Fla.; Adventure Island in Tampa; Sea World marine-life parks in Orlando, Fla., San Antonio, Texas, Aurora, Ohio and San Diego, Calif.; and Sesame Place in Langhorne, Pa. Together, the 10 parks offer visitors a variety of entertaining and educational experiences.

New attractions in 1992 included "Myombe Reserve: The Great Ape Domain," which features gorillas and chimpanzees in a tropical rain forest environment (Busch Gardens Tampa); "Shark Encounter," the world's largest shark exhibit that includes an underwater acrylic tube (Sea World of California); "Drachen Fire," one of North America's largest steel roller coasters (Busch Gardens Williamsburg); and "Mission: Bermuda Triangle," which takes guests on a deep-sea adventure (Sea World of Florida).

More than 18 million people visited Anheuser-Busch theme parks in 1992.

Conservation and education continue to be priorities for the parks. In 1992, highlights of the animal breeding programs included the births of a beluga whale (Sea World of Texas) and three Asian elephants (Busch Gardens Tampa). In addition, more than five million people participated in Sea World and Busch Gardens education programs.

New 1993 attractions support the parks' commitment to conservation and education. With the opening of "Shark Encounter," Sea World of Ohio will become the largest shark exhibitor in the Midwest. Sea World of Florida will continue to raise awareness about the need to preserve the endangered manatee with "Manatees: The Last Generation?"

At Sea World of California, "Rocky Point Preserve" will feature the world's largest interactive dolphin pool and a new habitat for Alaskan sea otters. Cypress Gardens guests will enjoy a new butterfly conservatory, "Wings of Wonder," which will feature 50 butterfly species.

Entertainment offerings will also expand in 1993. "Kumba," the largest roller coaster in the Southeast, will debut at Busch Gardens Tampa, while "Aruba Tuba" will take guests on a 20-feet-per-second water ride at Adventure Island. Water Country USA's "Malibu Pipeline" water ride will feature special lighting and a "black hole" effect, and a new water adventure area at Sea World of Texas will combine a variety of activities with a tropical island theme. Busch Gardens Williamsburg will feature the latest in three-dimensional film technology combined with special effects in "Haunts of the Olde Country." "Twiddlebug Land," a larger-than-life playland with an interactive wave pool, will debut at Sesame Place.

Busch Properties, Inc.

Busch Properties manages Anheuser-Busch's real estate holdings, including development properties, land for potential expansion, leased facilities and dispositions.

One of Busch Properties' showpiece locations is Kingsmill Resort in Williamsburg, Va. Developed and operated by Anheuser-Busch, Kingsmill is a 2,900-acre residential resort community comprised of more than 1,500 resident property owners and 400 guest rooms available as fully equipped condominiums. Residents and guests can enjoy two challenging golf courses, a nine-hole executive course, 15 tennis courts, indoor and outdoor swimming pools, fitness room and four restaurants. State-of-the-art meeting facilities and dedicated conference concierge services create a relaxed, productive atmosphere for groups of up to 300 people. Kingsmill has earned a four star rating from the Mobile Travel Guide and four diamonds from AAA. In addition, the Anheuser-Busch Golf Classic—a regular PGA Tour event since 1977—is held each year at Kingsmill on the Pete Dye-designed River Course.

The Busch Corporate Center business parks combine commercial, office and light industrial uses on land located adjacent to the Anheuser-Busch breweries in Williamsburg, Va.; Columbus, Ohio; and Fairfield, Calif. While land sales have been the primary mode of development in all three locations, Busch Properties also develops and manages office buildings in the Columbus Corporate Center. Occupancy in company-owned and managed office buildings in Columbus exceeded 93% in 1992, prompting the start of construction on a new 100,000-square-foot building at a time when other developers in the market have retrenched.

St. Louis National Baseball Club, Inc./Civic Center Corporation

More than 2.7 million fans visited Busch Stadium in 1992 to watch the St. Louis Cardinals—the company's major league baseball subsidiary—during its centennial season in the National League. Despite injuries to a number of key players, the Cardinals contended for the National League East crown for the majority of the 1992 season, eventually finishing in third place. For the 11th consecutive year, the Redbirds drew more than two million fans, making the Cardinals one of the most popular teams in professional baseball.

Civic Center Corporation, owner and operator of Busch Stadium, enjoyed a successful year in 1992. More than three million people visited the stadium to watch professional baseball, amateur sporting events, concerts and other entertainment offerings. Civic Center also owns other properties in downtown St. Louis, including four parking garages.

Food Products Operations

CAMPBELL TAGGART, INC.

Campbell Taggart, Inc. is involved in the production and distribution of baked goods, refrigerated dough products, frozen foods, refrigerated salad dressings, snack dips and toppings to retail and food service customers.

Campbell Taggart is a highly diversified, Dallas-based food products company with operations in about 35% of the United States and in certain European markets.

Bakery Operations

Campbell Taggart's bakery division, which accounts for approximately 65% of the company's sales, continued to show sales growth in spite of a weak economy.

In 1992, the long-term outlook for bread product sales improved as a result of the introduction of the U.S. Department of Agriculture's food pyramid. The pyramid, which is a visual representation of USDA dietary guidelines, emphasizes the importance of grain products, including bread, as the foundation for good nutrition. In fact, the guidelines recommend consumption of six to 11 servings of grain products daily, which is approximately two times current levels. The bakery division has incorporated the food pyramid and the guidelines into its bread packaging graphics to emphasize the nutritional importance of its products.

The bakery division continued to capitalize on the increase in the number of children under age 14 with its emphasis on IronKids bread, which has the taste and texture of white bread, but with fiber added in an amount equal to whole wheat bread. IronKids bread is the sales leader among bread products targeted to children.

In 1992, IronKids bread was supported by a multifaceted marketing program including television, consumer promotions and public relations. The brand was also supported

by a unique new initiative—the IronKids Parent / Child Fitness Program—which consists of a free guide authored by an internationally recognized expert on fitness and nutrition. The guide is the first to present a nutrition, fitness and well-being program where parents and children work together to achieve a balanced life-style.

A key strength of the IronKids brand is its positioning with respect to the IronKids Health and Fitness Program. Begun in 1985, the Rainbo/Colonial IronKids Triathlon series has developed into a comprehensive program consisting of the IronKids Bread National Triathlon Series and the IronKids Bread School Program.

1992 saw the successful expansion of Grant's Farm bread into 13 new markets. Grant's Farm, a popular line of smooth-textured variety breads designed to please the whole family, has proven to be a highly successful product line and has become the flagship soft variety bread for Campbell Taggart.

The company's line of Earth Grains products was expanded with the introduction of two new products—Whole Grains and Nuts, and 12-Grain. In addition, the brand's line of light breads was expanded with the introduction of Light 35 Nine Grain and Light 35 Stone Ground Whole Wheat.

The Break Cake line of snack cakes was also expanded in 1992 with the introduction of Break Cake Mini Muffins in three varieties. Break Cake has been repositioned for greater "kid and mom appeal" with several promotional programs.

Campbell Taggart's Earth Grains division produces one of the widest varieties of premium baked goods in the country including variety breads, rolls and buns, croissants, snack cakes, muffins, crackers, croutons and pretzels. The division consists of seven plants strategically located throughout the country.

In addition to supplying Campbell Taggart's local bakeries, Earth Grains' diverse manufacturing capability and national distribution system have attracted a number of contract manufacturing and food service customers.

In 1992, the division experienced double-digit sales and volume growth in its food service and contract manufacturing operations.

Refrigerated Products

Campbell Taggart's Merico subsidiary is the largest manufacturer of private-label refrigerated dough products in the U.S., with a one-third share of the refrigerated dough market. Merico's refrigerated dough line includes regular biscuits, dinner rolls, sweet rolls, Danish, cookies, breads and bread sticks.

Merico also makes a variety of salad dressings, dips and toppings, as well as creamers and dairy and nondairy sour cream, for food service and retail customers. Merico's Slender Choice line of dips and nondairy sour cream is sold in retail grocery stores.

In addition, Merico offers a line of single-portion salad dressings targeted to the food service sector as well as to consumers who prefer the convenience of pre-portioned servings.

Frozen Foods

Campbell Taggart's frozen food subsidiary, Eagle Crest Foods, markets a diverse array of products. In 1992, Eagle Crest introduced a new frozen Mexican entree line, Fiesta Lunch, to its El Charrito retail brand. The company now

produces more than 40 different Mexican food products in the dinner, entree and burrito segment.

The company also markets frozen stuffed potatoes under the Larry's and Brighton's brands, as well as Earth Grains frozen garlic bread and rolls.

Eagle Crest's food service division enjoyed double-digit increases in 1992 in its traditional food service lines. In addition, the company introduced new products that address special niche markets in the convenience store and vending trade segments.

International

Campbell Taggart's international operations experienced another year of sales and profit growth in 1992. The company's Spanish subsidiary, Bimbo, S.A. increased distribution to include Portugal and the Canary Islands. Bimbo continues to be the sales leader in bakery products in Spain.

In France, Europate, S.A.—which manufactures frozen and refrigerated dough products—experienced double-digit growth in both sales and profits. During the year, production capacity was increased with the addition of a rolled-dough line. Due to continued demand for its products, the company plans to further expand capacity in 1993.

EAGLE SNACKS, INC.

In 1992, Eagle Snacks maintained aggressive pound and dollar sales growth in the highly competitive salted snack food industry. Industry sales in this approximately $12 billion consumer category grew by about 2% in 1992.

Eagle Snacks' gain was a result of strong growth of its Thins and Ridged brands of potato chips and restaurant-style tortilla chips. Eagle Snacks' 1992 share of salted snack supermarket sales, as reported by Nielsen, was 6.6%, which places the company in the number three position.

The subsidiary continued to expand its product line in 1992 with the introduction of El Grande Style tortilla chips, an expanded line of pretzel products and new flavor offerings in its potato chip line.

Eagle Snacks remains in the number two position in the nut segment of the industry.

Beer as an

American tradition:

A good part of

the good life

Contents

Anheuser-Busch, Inc., the company's brewing subsidiary and largest contributor to consolidated sales and profits, sold an all-time industry record of 86.8 million barrels of beer in 1992.

Management's Discussion and Analysis of Operations and Financial Condition

INTRODUCTION

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity/cash flows of Anheuser-Busch Companies, Inc. during the three-year period ended December 31, 1992. This discussion should be read in conjunction with the Letter to Shareholders, financial statements and financial statement footnotes included in this annual report.

As more fully discussed in Note 2 to the consolidated financial statements, effective January 1, 1992, the company adopted the financial accounting standards for postretirement benefits (FAS 106) and income taxes (FAS 109). The financial impact of these accounting changes is reflected in the company's 1992 earnings in two components.

The first component is related to an increase in annual ongoing pretax expense principally due to accruing postretirement benefits to be paid in future years. This amount is $55.1 million, or $.12 per share, in 1992 and is not separately identified in the company's consolidated income statement. The 1992 impact is based on benefit levels currently in effect. It is anticipated that certain changes to these benefit levels will be implemented in the future, thereby reducing the ongoing pretax expense level in 1993.

The second component is a one-time cumulative effect adjustment, pertaining to years prior to 1992, which decreases net income and earnings per share from normal operations

by $76.7 million and $.26, respectively. These amounts are separately identified in the company's consolidated income statement. The 1992 quarterly results with and without the adoption of the new financial accounting standards are disclosed in Note 15 on page 60 of this annual report.

FAS 109 should not have a significant ongoing financial impact on the company if income tax rates remain constant. However, when tax rates change, the deferred tax liability must be revalued and the financial effect recognized at the time the tax rate change is enacted. Revaluing the deferred tax liability to include the effect of a 2% increase in the federal income tax rate would result in an additional one-time non-cash FAS 109 related increase in income tax expense approximating $66 million, equivalent to $.24 per share.

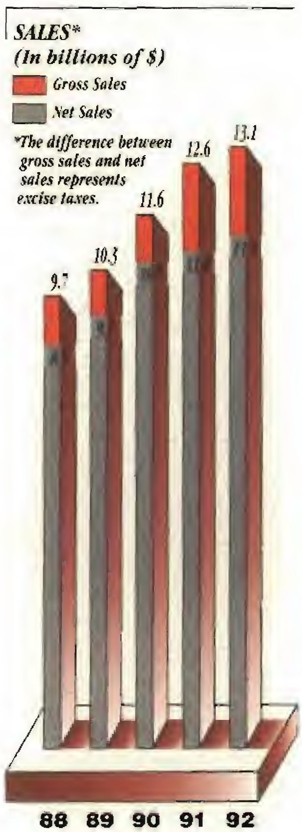
OPERATIONS

Sales

Anheuser-Busch Companies, Inc. achieved record gross sales during 1992 of $13.06 billion, an increase of $430 million or 3.4% over 1991 gross sales of $12.63 billion. Gross sales for 1991 were 8.8% higher than 1990. Gross sales for 1990 were $11.61 billion, an increase of 12.9% over 1989. Gross sales included $1.67 billion, $1.64 billion and $868.1 million, respectively, in federal and state excise taxes for 1992, 1991 and 1990. The large increase in excise taxes in 1992 and 1991 as compared to 1990 is due to the January 1, 1991 100% increase in the federal excise tax on beer.

Net sales for 1992 were also a record $11.39 billion, an increase of $397 million or 3.6% over 1991 net sales of $11.0 billion. Net sales during 1990 were $10.74 billion.

The increase in sales over the three-year period (1990-1992) primarily results from higher revenue per barrel and higher beer sales volume (1990 and 1992), as well as higher overall sales by the company's food products subsidiaries.



Anheuser-Busch, Inc., the company's brewing subsidiary and largest contributor to consolidated sales and profits, sold an all-time industry record of 86.8 million barrels of beer in 1992, an increase of one percent compared to 1991 beer volume of 86.0 million barrels. The company's 1992 beer volume gains, built from the largest volume base in the industry, were achieved despite the lingering effect of the 1991 federal excise tax increase, the second-coldest summer in two decades, and continued weak economic conditions, particularly in key selling areas, such as the Northeast and California.

The company's 1991 beer sales volume was 86.0 million barrels, a slight decrease of 462,000 barrels, or five-tenths of a percent, compared to 1990 beer volume of 86.5 million barrels. The sales volume decline was due to the 100% increase in the federal excise tax, effective January 1, 1991. The company's sales volume decline in 1991 was considerably less than the 2.0% volume decline for the brewing industry.

Anheuser-Busch, Inc. 1992 sales volume represents approximately 44.3% of total brewing industry sales in the U.S. (including imports), as estimated based on information provided by The Beer Institute. This represents an increase of .4 share point as compared to 1991 market share of 43.9% and was the largest market share increase in the industry. Anheuser-Busch has led the brewing industry in market share every year since 1957, and 1992 marks the 13th consecutive year the company has increased its market share lead over its nearest competitor. Market share for 1990 was 43.4%.

The company will open its 13th brewery in the spring of 1993 in Cartersville, Ga. The Cartersville brewery will be the most modern and efficient of the company's breweries and, when fully operational, will produce 6.5 million barrels of beer. The company has historically built inventories at the wholesaler level in the first half of each year to meet peak consumer demand during the summer. Availability of the incremental capacity of Cartersville reduces shipping requirements during the first two quarters of 1993.

Accordingly, Anheuser-Busch expects to report first quarter 1993 beer sales volume slightly below that of the first quarter 1992. It is further anticipated that volume in the second half of 1993 will be substantially higher than the second half of 1992, providing full-year volume growth of one to two percent. These 1993 quarterly sales volume shifts are also anticipated to lead to an unusual quarter-to-quarter earnings pattern, but are not expected to impact the company's overall earnings growth for the year. Higher volume, higher revenue per barrel, and controlled material costs and marketing expenses should result in good earnings growth. Anheuser-Busch's double-digit earnings per share growth objective remains unchanged.

Anheuser-Busch's continuing success in the beer industry is primarily attributable to an uncompromising emphasis on quality, the dedication of the company's employees, a solid wholesaler distribution system and a total marketing effort. During 1993, the company's key objectives are to extend its position as the world's leading brewer of quality products by enhancing its position in the domestic market and increasing its presence in the international market.

Cost of Products and Services

Cost of products and services for 1992 was $7.31 billion, a 2.2% increase over the $7.15 billion for 1991. This increase follows an .8% and 13.0% increase in 1991 and 1990, respectively. These increases primarily relate to higher production costs for the company's brewing subsidiary and other beer-related operations, higher sales of the company's food products subsidiaries and the 1992 adoption of FAS 106. Such increases, however, have been partially offset by the company's ongoing productivity improvement and cost reduction programs. During the last 12 years, these programs have generated total cost reductions approximating $720 million.

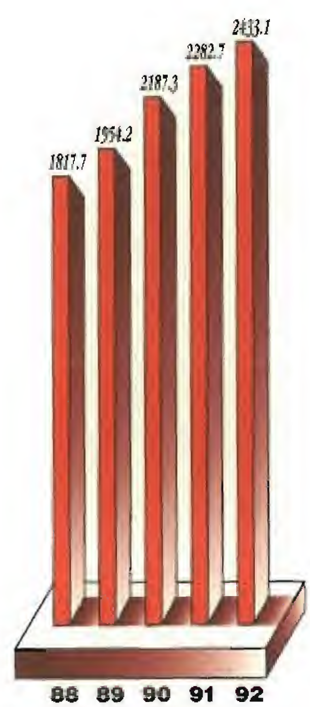
As a percent of net sales, cost of products and services was 64.2% in 1992 (63.8% excluding the adoption of FAS 106) as compared to 65.0% in 1991 and 66.0% in 1990.

Marketing, Distribution and Administrative Expenses

Marketing, distribution and administrative expenses for 1992 were $2.31 billion, an increase of 8.6% over 1991. This increase compares to increases of 3.7% for 1991 and 9.3% for 1990. These expenses include approximately $726.0 million, $722.5 million and $735.7 million in 1992, 1991 and 1990, respectively, of selling, delivery and general operating expenses associated with the company's wholesale baking operations and its company-owned beer and snack foods wholesale operations. These expenses increased .5% in 1992 as compared to 1991 (excluding FAS 106 these expenses would have decreased .8%) and decreased 1.8% in 1991 as compared to 1990. The reduced expense level (excluding FAS 106) is due primarily to divestiture of the company's snack foods wholesale operations during 1991 and the sale of a company-owned beer wholesale operation in the last half of 1991.

Marketing, distribution and administrative expenses have increased over the past three years as a result of the higher level of marketing activity; continuing development of new products and beer brands together with related new advertising and marketing programs; the introduction of new entertainment attractions; and the adoption of FAS 106 in 1992. Areas significantly affected by these factors since 1989 include media advertising, point-of-sale materials and developmental expenses associated with new advertising and marketing programs for established as well as new products; bakery and snack foods selling, delivery and general operating expenses; payroll and related costs; business taxes; depreciation; supplies; and general operating expenses.

TOTAL PAYROLL COST
(In millions of $)



Taxes and Payroll Costs

The company is significantly impacted by federal, state and local taxes. Taxes applicable to 1992 operations (not including the many indirect taxes included in materials and services purchased) totaled $2.56 billion and highlight the burden of taxation on the company and the brewing industry in general. Taxes for 1992 increased $87.7 million or 3.5% over 1991 taxes of $2.47 billion. This increase follows increases of 53.1% in 1991 and 9.2% in 1990. The increase in total taxes for 1992 is due primarily to the company's increase in beer sales volume and higher earnings level. The increase for 1991 over 1990 results principally from increased beer excise taxes related to the increased federal excise tax.

Payroll costs during 1992 totaled $2.43 billion, an increase of $151.2 million or 6.6% over 1991 payroll costs of $2.28 billion. Payroll costs increased 4.4% in 1991 and 11.9% in 1990. The increase in payroll costs reflects the 1992 adoption of FAS 106 and normal increases in salary and wage rates and benefit costs.

Salaries and wages paid during 1992 totaled $1.93 billion. Pension, life insurance and healthcare benefits amounted to $337.5 million and payroll taxes were $169.1 million. Employment at December 31, 1992 was 44,871 compared to 44,836 at December 31, 1991.

Operating Income

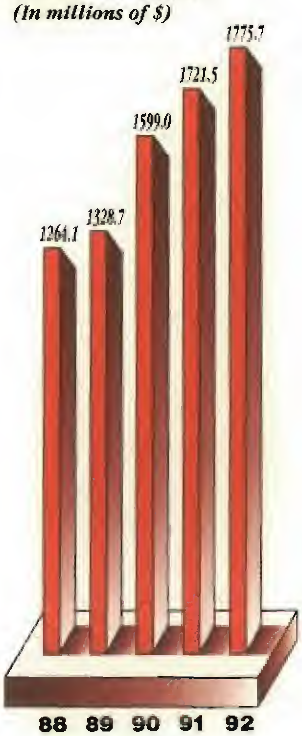
Operating income, the measure of the company's financial performance before interest costs and other non-operating items, was $1.78 billion in 1992, a $54.2 million or 3.1% increase over 1991. Operating income for 1992 was unfavorably impacted by the adoption of FAS 106. Excluding the financial impact of FAS 106, operating income would have been $1.83 billion, an increase of 6.3% over 1991. Operating income was $1.72 billion in 1991 and $1.60 billion in 1990, representing increases of 7.7% and 20.3% over the previous year, respectively. Operating income as a percent of net sales was 15.6% in 1992 (16.1% excluding FAS 106) as compared to 15.7% in 1991 and 14.9% in 1990.

Net Interest Cost/Interest Capitalized

Net interest cost, or interest expense less interest income, was $192.5 million in 1992, a decrease of $36.8 million when compared to 1991 net interest cost of $229.3 million. Net interest cost in 1990 was $276.0 million. The decrease in net interest cost during 1992 and 1991 is due primarily to lower average debt balances outstanding during the year ended December 31, 1992 and a $502.2 million, or 16.0%, reduction in total debt during the year ended December 31, 1991. The increase in net interest cost in 1990 is due primarily to a net increase in debt to finance a variety of activities/projects, including the Sea World acquisition and the establishment of a leveraged ESOP during 1989. Specific information regarding company financing (including the level of debt activity and the leveraged ESOP) and the company's capital expenditures program is presented in the Liquidity and Capital Resources section of this discussion.

Interest capitalized increased $1.2 million in 1992 as compared to 1991. This compares to an $8.1 million decline in 1991 compared to 1990 and an increase of $3.1 million in 1990 compared to 1989. Interest capitalized fluctuates from year to year depending upon the level of qualified construction-in-progress and the weighted-average capitalization rate.

OPERATING INCOME
(In millions of $)



Other Income/(Expense), Net

This category was a net expense of $15.7 million in 1992, compared to $18.1 million in 1991 and $25.5 million in 1990. Other income/(expense), net, includes numerous items of a non-operating nature which do not have a material impact on the company's consolidated results of operations (either individually or in the aggregate).

Net Income Before Cumulative Effect of Accounting Changes

Net income before cumulative effect of accounting changes for 1992 was $994.2 million, an increase of 5.8% compared with $939.8 million for 1991. Excluding the ongoing expense impact of FAS 106, net income would have been $1.03 billion, an increase of 9.5% over 1991. Net income for 1990 was $842.4 million. Net income for 1991 and 1990 represent increases of 11.6% and 9.8%, respectively, over the preceding year.

The effective tax rate was 38.4% in 1992, 38.2% in 1991 and 37.7% in 1990. The increase in the effective tax rate in 1992 is primarily due to the absence in 1992 of non-recurring 1991 tax credits and higher state tax rates.

Earnings Per Share Before Cumulative Effect of Accounting Changes

Fully diluted earnings per share before cumulative effect of accounting changes was $3.46 for 1992, an increase of 6.5% compared with $3.25 for 1991. Excluding the ongoing expense impact of FAS 106, fully diluted earnings per share, before the cumulative effect, would have been $3.58, an increase of 10.2% over 1991. Fully diluted earnings per share for 1990 were $2.95, an increase of 10.1% over 1989. Fully diluted earnings per share assume the conversion (as of January 1, 1990) of the company's 8% Convertible Debentures due 1996. In calculating fully diluted earnings per share, weighted average shares outstanding are increased by the assumed conversion of the debentures and net income is increased by the after-tax interest expense on the debentures.

FINANCIAL POSITION

Liquidity and Capital Resources

The company's primary sources of liquidity are cash provided from operating activities and certain financing activities. Information on the company's consolidated cash flows (operating activities, financing activities and investing activities) for the past three years is set forth in the Consolidated Statement of Cash Flows on page 48 of this report.

Working capital at December 31, 1992 was $356.0 million as compared to $224.9 million at December 31, 1991.

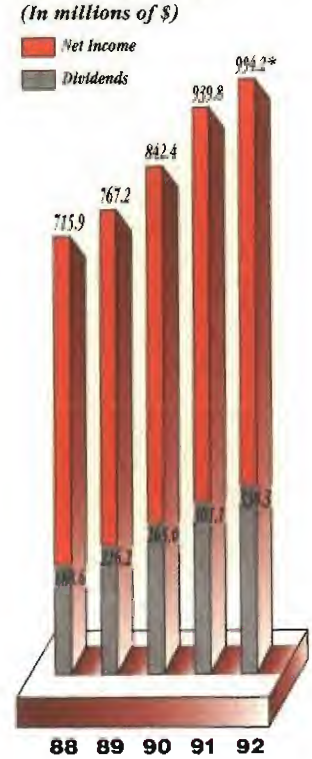
During 1992, the company issued the following debt:

- $150 million medium-term notes, due 1995, at a weighted-average interest rate of 4.7%—issued during the third quarter 1992; and
- $200 million, 6.9% 10-year notes issued in October 1992;

During 1992, the company reduced long-term debt as follows:

- Redeemed $100 million, 8.875% notes;
- Redeemed $86 million, 8.55% sinking fund debentures;
- Redeemed $25 million, 7.95% sinking fund debentures;

NET INCOME/DIVIDENDS ON COMMON STOCK (In millions of $)



* Before cumulative effect of accounting changes.

• Lower commercial paper borrowings of $24.7 million;
• $26.8 million reduction in the ESOP debt guarantee; and
• $90.9 million of scheduled sinking fund debenture repurchases and other miscellaneous transactions.

During 1991, the company reduced long-term debt as follows:
• Lower commercial paper borrowings of $201.4 million;
• Redeemed $109.3 million, 6% Dual Currency Swiss Franc/U.S. Dollar Bonds;
• Redeemed $100 million, 9.2% sinking fund debentures;
• $23.8 million reduction in the ESOP debt guarantee; and
• $67.7 million of scheduled sinking fund debenture repurchases and other miscellaneous transactions.

Gains/losses on these debt reduction activities (either individually or in the aggregate) were not material to the company's consolidated financial statements.

At December 31, 1992 and 1991 there were $79.7 million and $104.4 million, respectively, of commercial paper borrowings outstanding classified as long-term debt. The commercial paper is intended to be maintained on a long-term basis, with ongoing credit provided by the company's domestic revolving credit agreements (discussed below).

The company has fully hedged its foreign currency exposure for debt service payments on its foreign currency denominated debt through agreements with various lending institutions.

The company believes its strong beer wholesaler network is a major factor in its long-term growth. Therefore, the company believes that affording beer wholesalers the opportunity to invest in the company will further this goal. In 1989, the company registered with the Securities and Exchange Commission (SEC) a total of $300 million of seven-year convertible debentures (convertible into common stock) as part of its Wholesaler Investment Program. A total of $241.7 million of the debentures were issued. The debentures are subject to mandatory redemption at the end of seven years, optional redemption/repurchase at the company's or holder's discretion after three years, and special redemption/repurchase based on the occurrence of certain redemption events with respect to particular holders.

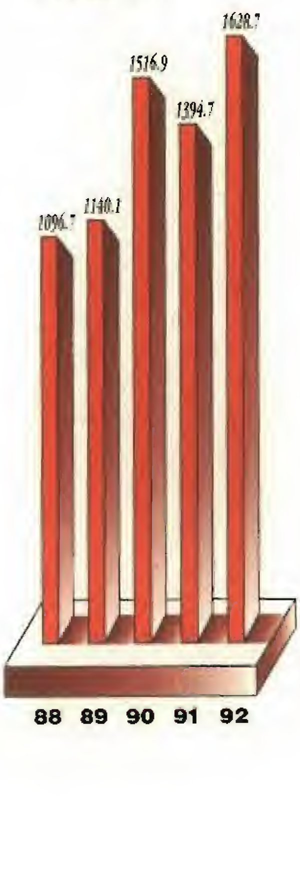
The company utilizes SEC shelf registration statements to provide financing flexibility. At December 31, 1991 a total of $165 million was available for debt issuance under shelf registration statments. In 1992, the company registered an additional $735 million in debt securities with the SEC and issued $350 million of debt. As of December 31, 1992, the company had a total of $550 million remaining available for issuance under shelf registration statements.

During the next five years, the company plans to continue capital expenditure programs designed to take advantage of growth and productivity improvement opportunities for its beer and beer-related, food products and entertainment segments. Cash flow from operating activities will provide the principal support for these capital investments.

However, a capital expenditure program of this magnitude (together with the company's previously announced share repurchase program) may require external financing from time to time. The nature and timing of external financing will vary depending upon the company's evaluation of existing market conditions and other economic factors.

In addition to its long-term debt financing, the company has access to the short-term capital market utilizing its bank credit agreements and commercial paper. The company has formal bank credit agreements which are discussed in Note 4 to the Consolidated Financial Statements. These agreements provide the company with immediate and continuing sources of liquidity.

CASH FLOW FROM OPERATIONS
(In millions of $)



The company's ratio of total debt to total debt plus equity was 36.4%, 37.3% and 46.1% at December 31, 1992, 1991 and 1990, respectively. The company's fixed charge coverage ratio was 7.8 for the year ended December 31, 1992 and 6.4 and 5.1 for the years ended December 31, 1991 and 1990, respectively.

As more fully described in Note 7 to the Consolidated Financial Statements, during 1989 the company added an employee stock ownership plan (ESOP) feature to its existing Deferred Income Stock Purchase and Savings Plans. Approximately 60% of total salaried and hourly employees are eligible for participation in the ESOP. In 1989 the ESOP borrowed $500 million, guaranteed by the company, and used the proceeds to buy approximately 11.3 million shares of common stock from the company. The ESOP shares are being allocated to participants over 15 years as contributions are made to the plan. Through the various company stock ownership plans, employees of Anheuser-Busch control approximately 10% of the company's outstanding common stock.

In accordance with generally accepted accounting principles, the unpaid principal portion of the ESOP debt is reflected on the company's balance sheet as long-term debt with an equal, offsetting reduction to Shareholders Equity. In addition, total ESOP expense is allocated to interest expense and operating expense based upon the ratio of interest and principal payments on the debt.

Capital Expenditures

The company has a formalized and intensive review procedure for all capital expenditures. The most important measure of acceptability of a capital project is its projected discounted cash flow return on investment.

Capital expenditures in 1992 amounted to $737.2 million as compared with $702.5 million in 1991. During the past five years capital expenditures totaled $4.4 billion.

Capital expenditures for 1992 for the company's beer and beer-related operations were $490.4 million. Major expenditures by the company's brewing subsidiary included continuing construction of the company's new brewery in Cartersville, Ga., and numerous modernization projects designed to improve productivity at all breweries.

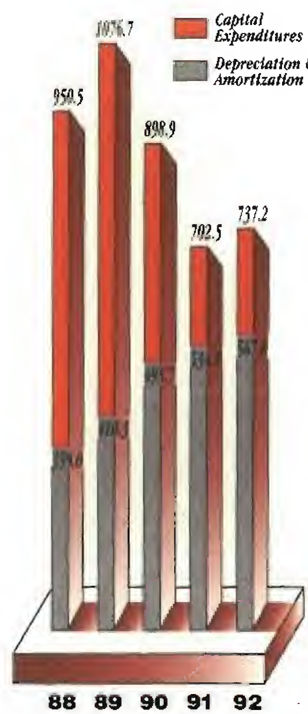
The remaining 1992 capital expenditures totaling $246.8 million were made by the company's food products and entertainment operations. Major expenditures include numerous Campbell Taggart and Eagle Snacks modernization and productivity improvement projects, as well as new Busch Entertainment and Sea World attractions.

The company expects its capital expenditures in 1993 to approximate $800 million. Capital expenditures during the five-year period 1993-1997 are expected to approximate $4.0 billion.

Environmental Matters

The company is subject to federal, state and local environmental protection laws and regulations and is operating within such laws or is taking action aimed at assuring compliance with such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the company's competitive position. The company has not been identified as a Potentially Responsible Party (PRP) at an Environmental Protection Agency designated clean-up site which could have a material impact on the company's consolidated financial statements.

CAPITAL EXPENDITURES/ DEPRECIATION AND AMORTIZATION
(In millions of $)



In recognition of the importance of environmental laws and regulations, the company has established an Environmental Policy Committee. This Committee, which reports directly to the Audit Committee of the Board of Directors, is comprised of senior company executives.

The mission of the Committee is to (a) monitor and interpret environmental policies to insure high standards of corporate responsibility; (b) establish a framework to assure strict compliance in the operation of all of the company's businesses with all environmental regulations; (c) provide adequate resources—human, financial and physical—required to assure compliance with all environmental laws and policies; and (d) exercise oversight responsibilities of company environmental programs.

Other Matters

During April 1992, the company completed a joint venture agreement with Tibidabo S.A. of Spain for the development of a theme park and resort complex near Barcelona, Spain. Construction on the theme park began in May 1992, and opening is planned for 1995.

Anheuser-Busch contributed its existing investment in land, design and engineering to the joint venture, and continues to provide technical assistance. Tibidabo invested $114 million to acquire an 80.1% interest in the joint venture and is responsible for arranging construction financing. However, the total construction financing has not yet been arranged. All obligations with respect to completion of the project have been assumed by the joint venture.

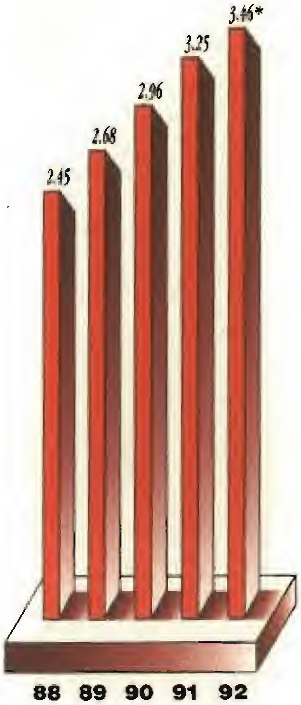
Dividends

Cash dividends paid to common shareholders were $338.3 million in 1992 and $301.1 million in 1991. Dividends on common stock are paid in the months of March, June, September and December of each year. In the second quarter of 1992, effective with the September dividend, the Board of Directors increased the quarterly dividend rate by 14.3%, from $.28 to $.32 per share. Annual dividends per common share increased 13.2% in 1992 to $1.20 per share compared to $1.06 per share in 1991. In 1992 dividends were $.28 for each of the first two quarters and $.32 for the last two quarters, as compared to $.25 for the first two quarters and $.28 for the last two quarters of 1991.

The company has paid dividends in each of the past 60 years. During that time, the company's stock has split on seven different occasions and stock dividends were paid three times.

At December 31, 1992, common shareholders of record numbered 67,273 compared with 65,390 at the end of 1991.

EARNINGS PER SHARE–FULLY DILUTED



**Before cumulative effect of accounting changes.*

Price Range of Common Stock

The company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "BUD." The table below summarizes the high and low closing prices on the NYSE.

PRICE RANGE OF COMMON STOCK				
	1992		*1991*	
QUARTER	*HIGH*	*LOW*	*HIGH*	*LOW*
First	60-1/2	54-7/8	52-7/8	39-5/8
Second	56-7/8	52-1/8	53 7/8	48
Third	57 3/4	53	54-1/2	48-1/4
Fourth	60	53-5/8	61-1/2	51-3/4

The closing price of the company's common stock at December 31, 1992 and 1991 was $58.50 and $61.50, respectively.

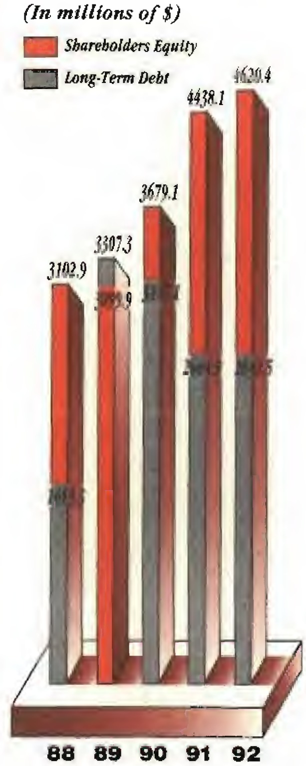
Common Stock and Other Shareholders Equity

Shareholders equity was $4.62 billion at December 31, 1992, as compared with $4.44 billion at December 31, 1991. The increase in 1992 equity primarily represents the retention of $579.2 million of earnings in the business, the reduction in ESOP debt and the effect of shares issued under stock plans offset by the repurchase of shares under the company's share repurchase program. The book value of each common share of stock at December 31, 1992 was $16.60, as compared to $15.57 at December 31, 1991.

In 1992, the return on average shareholders equity was 22.0% as compared to 23.2% in 1991.

The Board of Directors has approved various resolutions in recent years authorizing the company to repurchase shares of its common stock for investment purposes and to meet the requirements of the company's various stock purchase and savings plans. The most recent resolution was approved in June 1992 authorizing the repurchase of 20 million shares. The company has acquired 9.6 million, 23,500 and 2.4 million shares of common stock in 1992, 1991, and 1990 for $518.7, $1.1 and $86.3 million, respectively. At December 31, 1992, approximately 17.7 million shares were available for repurchase under existing Board of Directors resolutions.

SHAREHOLDERS EQUITY/ LONG-TERM DEBT
(In millions of $)



Inflation

General inflation has not had a significant impact on the company over the past three years nor is it expected to have a significant impact in the foreseeable future.

Responsibility for Financial Statements

The management of Anheuser-Busch Companies, Inc. is responsible for the financial statements and other information included in this annual report. Management has selected those generally accepted accounting principles it considers appropriate to prepare the financial statements and other data contained herein.

The company maintains accounting and reporting systems, supported by an internal accounting control system, which management believes are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 1992, the company's internal auditors, in conjunction with Price Waterhouse, its independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting control system. Based on the comprehensive review, it is management's opinion that the company has an effective system of internal accounting control.

The Audit Committee of the Board of Directors, which consists of seven nonmanagement directors, oversees the company's financial reporting and internal control systems, recommends selection of the company's public accountants and meets with the public accountants and internal auditors to review the overall scope and specific plans for their respective audits. The Committee held four meetings during 1992. A more complete description of the functions performed by the Audit Committee can be found in the company's Proxy Statement.

The report of Price Waterhouse on its examinations of the consolidated financial statements of the company appears below.

Report of Independent Accountants

Price Waterhouse

One Boatmen's Plaza
St. Louis, MO 63101

February 8, 1993

To the Shareholders and Board of Directors of
Anheuser-Busch Companies, Inc.

In our opinion, the accompanying Consolidated Balance Sheet and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 1992 and 1991, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1992, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for postretirement benefits other than pensions and income taxes.

Price Waterhouse

Consolidated Balance Sheet

Anheuser-Busch Companies, Inc., and Subsidiaries

ASSETS *(In millions)*		
DECEMBER 31,	***1992***	***1991***
CURRENT ASSETS:		
Cash and marketable securities	***$ 215.0***	$ 97.3
Accounts and notes receivable, less allowance for doubtful accounts of $4.9 in 1992 and $5.5 in 1991	***649.8***	654.8
Inventories—		
Raw materials and supplies	***417.7***	397.2
Work in process	***88.7***	92.5
Finished goods	***154.3***	145.9
Total inventories	***660.7***	635.6
Other current assets	***290.3***	240.0
Total current assets	***1,815.8***	1,627.7
INVESTMENTS AND OTHER ASSETS:		
Investments in and advances to affiliated companies	***171.6***	116.9
Investment properties	***164.8***	159.9
Deferred charges and other non-current assets	***356.3***	365.6
Excess of cost over net assets of acquired businesses, net	***505.7***	519.9
	1,198.4	1,162.3
PLANT AND EQUIPMENT:		
Land	***273.3***	308.9
Buildings	***3,295.2***	3,027.8
Machinery and equipment	***7,086.9***	6,583.9
Construction in progress	***729.7***	669.0
	11,385.1	10,589.6
Accumulated depreciation	***(3,861.4)***	(3,393.1)
	7,523.7	7,196.5
	$10,537.9	$ 9,986.5

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-61 of this report.

LIABILITIES AND SHAREHOLDERS EQUITY *(In millions)*

DECEMBER 31,	1992	1991
CURRENT LIABILITIES:		
Accounts payable	$ 737.4	$ 709.8
Accrued salaries, wages and benefits	257.3	223.3
Accrued interest payable	52.4	58.5
Due to customers for returnable containers	48.2	44.5
Accrued taxes, other than income taxes	117.0	110.9
Estimated income taxes	38.8	45.2
Other current liabilities	208.7	210.6
Total current liabilities	1,459.8	1,402.8
POSTRETIREMENT BENEFITS	538.3	—
LONG-TERM DEBT	2,642.5	2,644.9
DEFERRED INCOME TAXES	1,276.9	1,500.7
COMMON STOCK AND OTHER SHAREHOLDERS EQUITY:		
Common stock, $1.00 par value, authorized 400,000,000 shares	341.3	338.5
Capital in excess of par value	762.9	654.5
Retained earnings	5,794.9	5,209.8
Foreign currency translation adjustment	(1.4)	20.7
	6,897.7	6,223.5
Treasury stock, at cost	(1,842.9)	(1,324.2)
ESOP debt guarantee offset	(434.4)	(461.2)
	4,620.4	4,438.1
COMMITMENTS AND CONTINGENCIES	—	—
	$10,537.9	$9,986.5

CONSOLIDATED STATEMENT OF INCOME

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share data)

YEAR ENDED DECEMBER 31,	***1992***	***1991***	***1990***
Sales	*$13,062.3*	$12,634.2	$11,611.7
Less federal and state excise taxes	*1,668.6*	1,637.9	868.1
Net sales	*11,393.7*	10,996.3	10,743.6
Cost of products and services	*7,309.1*	7,148.7	7,093.5
Gross profit	*4,084.6*	3,847.6	3,650.1
Marketing, distribution and administrative expenses	*2,308.9*	2,126.1	2,051.1
Operating income	*1,775.7*	1,721.5	1,599.0
Other income and expenses:			
Interest expense	*(199.6)*	(238.5)	(283.0)
Interest capitalized	*47.7*	46.5	54.6
Interest income	*7.1*	9.2	7.0
Other income/(expense), net	*(15.7)*	(18.1)	(25.5)
Income before income taxes	*1,615.2*	1,520.6	1,352.1
Provision for income taxes:			
Current	*561.9*	479.1	429.9
Deferred	*59.1*	101.7	79.8
	621.0	580.8	509.7
Net income, before cumulative effect of accounting changes	*994.2*	939.8	842.4
Cumulative effect of changes in the method of accounting for postretirement benefits (FAS 106) and income taxes (FAS 109), net of tax benefit of $186.4 million	*(76.7)*	—	—
NET INCOME	*$ 917.5*	$ 939.8	$ 842.4
PRIMARY EARNINGS PER SHARE:			
Net income, before cumulative effect	*$ 3.48*	$ 3.26	$ 2.96
Cumulative effect of accounting changes	*(.26)*	—	—
Net income	*$ 3.22*	$ 3.26	$ 2.96
FULLY DILUTED EARNINGS PER SHARE:			
Net income, before cumulative effect	*$ 3.46*	$ 3.25	$ 2.95
Cumulative effect of accounting changes	*(.26)*	—	—
Net income	*$ 3.20*	$ 3.25	$ 2.95

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-61 of this report.

NOTE: During 1992 the company elected to early adopt the new Financial Accounting Standards pertaining to Postretirement Benefits (FAS 106) and Income Taxes (FAS 109). This decision affects the comparability of 1992 reported results with those of prior years. Management believes that readers of the company's financial statements need to be fully aware of the impact the adoption of these Standards has on 1992 operating results and earnings per share. Excluding the financial impact of these Standards, 1992 operating income, income before income taxes, net income and fully diluted earnings per share would have been $1,830.8 million, $1,676.0 million , $1,029.2 million and $3.58, respectively.

Consolidated Statement of Changes in Shareholders Equity

Anheuser-Busch Companies, Inc., and Subsidiaries

SHAREHOLDERS EQUITY *(In millions, except per share data)*

	COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TREASURY STOCK	ESOP DEBT GUARANTEE OFFSET	FOREIGN CURRENCY TRANSLATION ADJUSTMENT
BALANCE AT DECEMBER 31, 1989	$333.9	$507.2	$3,985.9	$(1,236.8)	$(500.0)	$ 9.7
Net income			842.4			
Common dividends ($.94 per share)			(265.0)			
Shares issued under stock plans	1.8	51.7				
Reduction of ESOP debt guarantee					15.0	
Treasury stock acquired				(86.3)		
Foreign currency translation adjustment						19.6
BALANCE AT DECEMBER 31, 1990	335.7	558.9	4,563.3	(1,323.1)	(485.0)	29.3
Net income			939.8			
Common dividends ($1.06 per share)			(301.1)			
Shares issued under stock plans	2.7	92.2	7.8			
Conversion of Convertible Debentures	.1	3.4				
Reduction of ESOP debt guarantee					23.8	
Treasury stock acquired				(1.1)		
Foreign currency translation adjustment						(8.6)
BALANCE AT DECEMBER 31, 1991	338.5	654.5	5,209.8	(1,324.2)	(461.2)	20.7
Net income			*917.5*			
Common dividends ($1.20 per share)			*(338.3)*			
Shares issued under stock plans	*2.8*	*107.6*	*5.9*			
Conversion of Convertible Debentures		*.8*				
Reduction of ESOP debt guarantee					*26.8*	
Treasury stock acquired				*(518.7)*		
Foreign currency translation adjustment						*(22.1)*
BALANCE AT DECEMBER 31, 1992	*$341.3*	*$762.9*	*$5,794.9*	*$(1,842.9)*	*$(434.4)*	*$ (1.4)*

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-61 of this report.

Consolidated Statement of Cash Flows

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions)

YEAR ENDED DECEMBER 31,	***1992***	***1991***	***1990***
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	***$ 917.5***	$ 939.8	$ 842.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	***567.0***	534.1	495.7
Increase in deferred income taxes	***62.0***	104.5	80.3
Cumulative effect of accounting changes	***76.7***	—	—
Decrease/(increase) in non-cash working capital	***(13.4)***	(208.5)	122.8
Other, net	***18.9***	24.8	(24.3)
Cash provided by operating activities	***1,628.7***	1,394.7	1,516.9
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures	***(737.2)***	(702.5)	(898.9)
Business acquisitions	***(41.4)***	(15.7)	(12.1)
Cash used for investing activities	***(778.6)***	(718.2)	(911.0)
CASH FLOW FROM FINANCING ACTIVITIES:			
Increase in long-term debt	***351.3***	.6	178.6
Decrease in long-term debt	***(343.8)***	(479.1)	(427.8)
Dividends paid to shareholders	***(338.3)***	(301.1)	(265.0)
Acquisition of treasury stock	***(518.7)***	(1.1)	(86.3)
Shares issued under stock plans and conversion of Convertible Debentures	***117.1***	106.2	53.5
Cash (used for) financing activities	***(732.4)***	(674.5)	(547.0)
Net increase/(decrease) in cash and marketable securities during the year	***117.7***	2.0	58.9
Cash and marketable securities at beginning of year	***97.3***	95.3	36.4
Cash and marketable securities at end of year	***$ 215.0***	$ 97.3	$ 95.3

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-61 of this report.

1–SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

This summary of significant accounting principles and policies of Anheuser-Busch Companies, Inc. and its subsidiaries is presented to assist the reader in evaluating the company's financial statements included in this report. These principles and policies conform to generally accepted accounting principles.

Principles of Consolidation

The consolidated financial statements include the company and all its subsidiaries. All significant intercompany transactions have been eliminated.

Foreign Currency Translation

Exchange adjustments resulting from foreign currency transactions are recognized in income, whereas adjustments resulting from the translation of financial statements are reflected as a separate component of shareholders equity.

Excess of Cost Over Net Assets of Acquired Businesses

The excess of the cost over the net assets of acquired businesses is amortized on a straight-line basis over a period of 40 years. Accumulated amortization at December 31, 1992 and 1991 was $63.0 million and $48.8 million, respectively.

Inventories and Production Costs

Inventories are valued at the lower of cost or market. Cost is determined under the last-in, first-out method (LIFO) for substantially all brewing inventories and under the first-in, first-out method (FIFO) for substantially all food product inventories.

Plant and Equipment

Plant and equipment is carried at cost and includes expenditures for new facilities and those which substantially increase the useful lives of existing plant and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed, the related cost and accumulated depreciation are eliminated from the respective accounts and any gain or loss on disposition is reflected in income.

Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, resulting in depreciation rates on buildings ranging from 2% to 10% and on machinery and equipment from 4% to 25%.

Capitalization of Interest

Interest relating to the cost of acquiring certain fixed assets is capitalized. The capitalized interest is included as part of the cost of the related asset and is amortized over its estimated useful life.

Income Taxes

The provision for income taxes is based on elements of income and expense as reported in the Consolidated Statement of Income. The company has elected to utilize certain provisions of federal income tax laws and regulations to reduce current taxes payable. Effective in 1992, deferred income taxes are recognized for the effect of temporary differences between financial and tax reporting in accordance with the requirements of Statement of Financial Accounting Standards No. 109. For 1991 and 1990, deferred taxes were recognized for the effect of timing differences between financial and tax reporting in accordance with the requirements of Accounting Principles Board Opinion No. 11.

Financial Instruments with Off-Balance-Sheet Risk and Concentration of Credit Risk

The company is party to certain financial instruments with off-balance-sheet risk incurred in the normal course of business. These financial instruments include financial guarantees, foreign currency forward and option contracts designated as hedges, foreign currency interest payment swaps and interest rate swaps. The company's exposure to credit loss in the event of non-performance by the counterparty to these financial instruments (either individually or in the aggregate) is not material.

The company does not have a material concentration of accounts receivable or credit risk.

Fair Value of Financial Instruments

Long-term debt is the only significant financial instrument of the company with a fair value different than its recorded value. As of December 31, 1992, the fair value of long-term debt was $2.8 billion compared to its recorded value of $2.6 billion. The fair value of long-term debt was estimated based on the quoted market values for the same or similar debt issues, or rates currently available for debt with similar terms.

Research and Development, Advertising, Promotional Costs and Initial Plant Costs

Research and development, advertising, promotional costs and initial plant costs are expensed in the year in which these costs are incurred.

Earnings Per Share

Earnings per share of common stock are based on the weighted average number of shares of common stock outstanding during the respective years as shown below (in millions):

	1992	*1991*	*1990*
Primary weighted average shares	*285.8*	287.9	284.6
Fully diluted weighted average shares	*290.8*	292.9	289.7

Fully diluted earnings per share of common stock assume the conversion of the company's 8% convertible debentures due 1996 and the elimination of the related after-tax interest expense.

2—ADOPTION IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Effective January 1, 1992, the company adopted Statements of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions," and No. 109 (FAS 109), "Accounting for Income Taxes."

The company currently provides postretirement healthcare and life insurance benefits to employees who attain specified age and years-of-service requirements. FAS 106 requires recognition of these benefits on an accrual basis during the active service period of the employees. Prior to adoption of FAS 106, the company recognized the cost of such postretirement benefits on a claims-paid basis.

FAS 109 requires a change from the deferred method to the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized on temporary differences by applying enacted statutory tax rates applicable in future years to differences between the carrying amounts and the tax bases of existing assets and liabilities. Under FAS 109, the effect on the deferred income tax liability of a change in tax rates is recognized in the income statement in the year that includes the enactment date. Under the deferred method, deferred taxes were recognized using the tax rate applicable in the year of the calculation and were not adjusted for subsequent changes in tax rates.

The company elected to immediately recognize the cumulative effect of adoption of FAS 106/109 pertaining to years prior to 1992 through a one-time adjustment which impacts net income as follows (in millions):

	1992 Net Income Increase (Decrease)
Postretirement Benefits (FAS 106)	$(319.5)
Accounting for Income Taxes (FAS 109)	242.8
Net Income Impact	$ (76.7)
Fully Diluted Earnings Per Share Impact	$ (.26)

FAS 106 increased postretirement healthcare benefits expense by $55.1 million in 1992. Such impact is based on benefit levels currently in effect. It is anticipated that certain changes to these benefit levels will be implemented in the future, thereby reducing the ongoing pretax expense level in 1993.

Assuming constant statutory tax rates, FAS 109 is not expected to have a significant ongoing financial impact on the company. Future statutory tax rate changes will require revaluation of the deferred tax liability, with the net change recognized in the income statement in the same year. Application of FAS 109 did not materially affect the computation of the company's provision for income taxes for 1992 and would not have materially affected 1991 or 1990 computations.

3–INVENTORY VALUATION

Approximately 69.0% and 68.3% of total inventories at December 31, 1992 and 1991, respectively, are stated on the last-in, first-out (LIFO) inventory valuation method. Had average-cost (which approximates replacement cost) been used with respect to such items at December 31, 1992 and 1991, total inventories would have been $107.1 million and $110.3 million higher, respectively.

4–CREDIT AGREEMENTS

The company's revolving credit agreements totaling $500 million were terminated effective January 31, 1993. The company has negotiated new credit agreements totaling $800 million effective February 1, 1993 which expire in 1994 ($400 million) and 1996 ($400 million). The agreements provide that the company may select among various loan arrangements with differing maturities and among a variety of interest rates, including a negotiated rate. At December 31, 1992 and 1991, the company had no outstanding borrowings under these agreements. Fees under these agreements amounted to $.6 million in 1992, $.7 million in 1991 and $.6 million in 1990.

5–LONG-TERM DEBT

Long-term debt at December 31 consisted of the following (in millions):

	1992	1991
Commercial paper	$ 79.7	$ 104.4
Medium-term Notes Due 1993 to 2002 (interest from 6.9% to 9.0%)	285.0	135.0
9-1/8% Notes Due 1992	—	100.0
8-7/8% Notes Due September 1, 1994	—	100.0
8.0% Dual Currency Japanese Yen/U.S. Dollar Notes Due 1995	53.5	52.9
8-3/4% Notes Due July 15, 1995	100.0	100.0
8% Notes Due October 1, 1996	100.0	100.0
8% Convertible Debentures Due 1996	237.2	238.0
8-3/4% Notes Due 1999	250.0	250.0
6.9% Notes Due 2002	200.0	—
9% Debentures Due 2009	350.0	350.0
ESOP Debt Guarantee	434.4	461.2
Sinking Fund Debentures	413.7	538.1
Industrial Revenue Bonds	115.6	83.6
Other Long-term Debt	23.4	31.7
	$2,642.5	$2,644.9

The company's sinking fund debentures at December 31 are as follows (in millions):

	1992	*1991*
6% debentures maturing 1984 to 1992	$ —	$ 4.1
7.95% debentures maturing 1985 to 1999	—	54.5
8.55% debentures maturing 1989 to 2008	—	85.6
8-5/8% debentures maturing 1997 to 2016	*150.0*	150.0
8-1/2% debentures maturing 1998 to 2017	*150.0*	150.0
10% debentures maturing 1999 to 2018	*200.0*	200.0
Less: debentures held in treasury	*(86.3)*	(106.1)
	$413.7	$538.1

The company utilizes SEC shelf registration statements to provide financing flexibility. At December 31, 1991 a total of $165 million was available for debt issuance under shelf registration statements. In 1992, the company registered an additional $735 million in debt securities with the SEC and issued $350 million in debt. As of December 31, 1992, the company had a total of $550 million remaining available for issuance under shelf registration statements.

In 1989 the company registered with the SEC $300 million of convertible debentures as part of its Beer Wholesaler Investment Program, $241.7 million of which were issued to Qualified Holders. The debentures may only be held by a qualified, independently owned wholesaler (and certain related parties) and may be converted into a 5% convertible preferred stock, par value $1.00, at a conversion price of $47.60 per share. Each share of the convertible preferred stock may be converted into one share of the company's common stock. The convertible debentures and convertible preferred stock are subject to mandatory redemption at the end of seven years, optional redemption/repurchase at the company's or holder's discretion after three years, and special redemption/repurchase options based upon the occurrence of certain events with respect to particular holders.

During 1992, the company redeemed the following long-term debt:

- $100 million, 8.875% notes;
- $86 million, 8.55% sinking fund debentures; and
- $25 million, 7.95% sinking fund debentures.

Gains/losses on these redemptions (either individually or in the aggregate) were not material to the company's Consolidated Financial Statements.

At December 31, 1992 and 1991, there was $79.7 million and $104.4 million, respectively, of commercial paper borrowings outstanding classified as long-term debt. The commercial paper is intended to be maintained on a long-term basis with ongoing credit provided by the company's revolving credit agreements.

The company's Dual Currency Japanese Yen/U.S. Dollar Notes were issued at a discount from the redemption value and subsequently converted into a U.S. dollar liability resulting in an effective interest rate of 10%, as compared to a stated rate of 8%. The company has fully hedged its foreign currency exposure for interest payments related to this debt through an agreement with an international lending institution.

During 1992 the company entered into a financial fixed-rate swap agreement on a notational amount of $200 million. The company is obligated to pay a fixed rate of 6.54% per year for the four-year period beginning January 1, 1994. In return, the company will receive a floating interest rate based on commercial paper rates.

The aggregate maturities on all long-term debt are $104.8, $30.4, $342.1, $133.2 and $42.3 million, respectively, for each of the years ending December 31, 1993 through 1997. These aggregate maturities do not include the future maturities of the ESOP debt guarantee.

6–STOCK OPTION PLANS

The company had an Incentive Stock Option / Non-Qualified Stock Option Plan and a Non-Qualified Stock Option Plan for certain qualified employees. Under the terms of the Plans, which expired on December 21, 1991, options were granted at not less than the fair market value of the shares at the date of grant. The Non-Qualified Stock Option Plan provided that optionees could be granted Stock Appreciation Rights (SARs) in tandem with stock options. The exer-

cise of a SAR cancels the related option and the exercise of an option cancels the related SAR. At December 31, 1992 and 1991, a total of 3,350,952 and 5,364,537 shares, respectively, were reserved for possible future issuance under these Plans.

In April 1990, the shareholders approved an Incentive Stock Plan for certain qualified employees. The Plan provides for the grant of options, SARs, Restricted Stock and Other Stock Interests. Under the terms of the Plan, options may be granted at not less than the fair market value of the shares at the date of grant. At December 31, 1992 and 1991, a total of 9,908,929 and 11,398,249 shares, respectively, were reserved for future issuance under this Plan.

Presented below is a summary of activity for the Plans for the years ended December 31:

	1992	*1991*
Options outstanding at beginning of the year	12,285,133	15,224,650
Options granted during the year	2,213,026	668,516
Options and SARs exercised during the year	(3,464,070)	(3,390,645)
Options cancelled during the year	(147,004)	(217,388)
Options outstanding at end of the year	10,887,085	12,285,133
Options exercisable at end of the year	8,298,103	8,859,962
Option price range per share	$10.31-$58.56	$10.31-$56.00

The Plans provide for acceleration of exercisability of the options upon the occurrence of certain events relating to a change of control, merger, sale of assets or liquidation of the company (Acceleration Events). The Non-Qualified Plan and the Incentive Stock Plan also provide that optionees may be granted Limited Stock Appreciation Rights (LSARs). LSARs become exercisable, in lieu of the option or SAR, upon the occurrence, six months following the date of grant, of an Acceleration Event. These LSARs entitle the holder to a cash payment per share equivalent to the excess of the share value (under terms of the LSAR) over the grant price. As of December 31, 1992 and 1991, there were 1,618,278 and 2,379,582, respectively, of LSARs outstanding.

7–EMPLOYEE STOCK OWNERSHIP PLAN

In 1989, the company added an Employee Stock Ownership Plan (ESOP) to its existing Deferred Income Stock Purchase and Savings Plans. Approximately 60% of all salaried and hourly employees are eligible for participation in the ESOP. The ESOP borrowed $500 million for a term of 15 years at an interest rate of 8.3% and used the proceeds to buy approximately 11.3 million shares of common stock from the company. The ESOP debt is guaranteed by the company and ESOP shares are being allocated to participants over 15 years as contributions are made to the plans.

ESOP cash contributions and ESOP expense accrued during the calendar year are determined by several factors including the market price and number of shares allocated to participants, ESOP debt service, dividends on unallocated shares and the company's matching contribution. Over the 15-year life of the ESOP, total expense will equal the total cash contributions made by the company.

ESOP cash contributions are made in March and September, based on the plan year which ends March 31. A summary of ESOP cash contributions and dividends on unallocated ESOP shares for the three years ended December 31 is presented below (in millions):

	Years Ended December 31		
	1992	*1991*	*1990*
Cash Contributions	$ 33.1	$ 32.6	$ 30.7
Dividends	$ 10.4	$ 10.2	$ 9.9

Total ESOP expense is allocated to operating expense and interest expense based upon the ratio of principal and interest payments on the debt. ESOP expense for each of the three years ended December 31 is presented below (in millions):

	1992	1991	1990
Operating Expense	$ 14.2	$ 13.2	$ 14.9
Interest Expense	18.8	19.9	27.0
Total Expense	$ 33.0	$ 33.1	$ 41.9

8—RETIREMENT BENEFITS

Pension Plans

The company has pension plans covering substantially all of its employees. Total pension expense for each of the three years ended December 31 is presented below (in millions):

	1992	1991	1990
Single-employer Defined Benefit Plans	$ (3.9)	$ (3.5)	$ (8.7)
Multi-employer Plans	47.4	47.6	47.6
Defined Contribution Plans	12.6	11.6	10.4
	$ 56.1	$ 55.7	$ 49.3

Net pension benefit for single-employer defined benefit plans was comprised of the following for the three years ended December 31 (in millions):

	1992	1991	1990
Service cost (benefits earned during the year)	$ 42.0	$ 34.0	$ 29.5
Interest cost on projected benefit obligation	60.0	54.1	49.2
Assumed return on assets	(92.3)	(76.6)	(72.2)
Amortization of prior service cost, actuarial gains/losses and the excess of market value of plan assets over projected benefit obligation at January 1, 1986	(13.6)	(15.0)	(15.2)
Net pension benefit	$ (3.9)	$ (3.5)	$ (8.7)

The assumed discount rate, the weighted-average rate of compensation increase used to measure the projected benefit obligation, and the expected long-term rate of return on plan assets were 9.0% (10.0% in 1991 and 1990), 6.5% and 10.0% (9.0% in 1991 and 1990), respectively. The actual (gain)/loss on pension assets was \$(102.2), \$(145.7) and \$3.7 million in 1992, 1991 and 1990, respectively.

The following tables set forth the funded status of all company single-employer defined benefit plans at December 31 (in millions):

	1992	1991
Plan assets at fair market value—primarily corporate equity securities and publicly traded bonds	$1,117.4	$1,019.5
Accumulated benefit obligation:		
Vested benefits	(576.1)	(497.5)
Nonvested benefits	(40.3)	(44.1)
Accumulated benefit obligation	(616.4)	(541.6)
Effect of projected compensation increases	(152.8)	(137.9)
Projected benefit obligation	(769.2)	(679.5)
Plan assets in excess of projected benefit obligation	$ 348.2	$ 340.0

	1992	1991
Plan assets in excess of projected benefit obligation consist of the following components (in millions):		
Unamortized excess of market value of plan assets over projected benefit obligation at January 1, 1986 being amortized over 15 years	$ 119.1	$ 134.0
Unrecognized net actuarial gains	73.9	79.3
Prior service costs	(27.8)	(28.0)
Prepaid pension	183.0	154.7
	$ 348.2	$ 340.0

The assumptions used in determining the funded status of these plans as of December 31 were a weighted-average rate of compensation increase of 6.5% and a discount rate of 9.0% in 1992 and 1991.

Contributions to multi-employer plans in which the company and its subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts and are based on employee-hours worked.

Postretirement Benefits

As discussed in Note 2, the company adopted FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," effective January 1, 1992, which had the effect of increasing 1992 postretirement healthcare benefits expense by $55.1 million.

The company provides certain healthcare and life insurance benefits to eligible retired employees. Salaried participants generally become eligible for retiree healthcare benefits after reaching age 55-58 with 10 years of service or after reaching age 65. Bargaining Unit employees generally become eligible for retiree healthcare benefits after reaching age 55 with 10-15 years of service or after reaching age 65.

The following table sets forth the accumulated postretirement benefit obligation (APBO) for all single-employer defined benefit plans at December 31, 1992 (in millions):

Retirees	$110.6
Fully eligible active plan participants	146.0
Other active plan participants	304.4
Accumulated postretirement benefit obligation (APBO)	$561.0

As of December 31, 1992, $538.3 million of this obligation was classified as a long-term liability and $22.7 million was classified as a current liability.

Net periodic postretirement benefits expense for single-employer defined benefit plans for 1992 was comprised of the following (in millions):

Service cost (benefits attributed to service during the year)	$ 29.8
Interest cost on accumulated postretirement benefit obligation	45.5
Net periodic postretirement benefits expense	$ 75.3

The increase in 1992 postretirement benefits expense is related to the following (in millions):

Net periodic postretirement benefits expense	$ 75.3
Cash payments to retirees	(20.2)
Increase in postretirement benefits expense	$ 55.1

In measuring the APBO, a 12.5% annual trend rate for healthcare costs was assumed for 1992. This rate is assumed to decline ratably over the next 13 years to 6.0% and remain at that level thereafter. The weighted average discount rate used in determining the APBO was 9.0% at December 31, 1992.

If the assumed healthcare cost trend rate changed by 1%, the APBO as of December 31, 1992 would change by 13.8%. The effect of a 1% change in the cost trend rate on the service and interest cost components of net periodic postretirement benefits expense would be a change of 16.6%.

9–INCOME TAXES

The provision for income taxes includes the following for the three years ended December 31 (in millions):

	1992	*1991*	*1990*
Current Tax Provision:			
Federal	$460.6	$386.7	$353.6
State and foreign	101.3	92.4	76.3
	561.9	479.1	429.9
Deferred Tax Provision:			
Federal	50.3	93.3	74.9
State and foreign	8.8	8.4	4.9
	59.1	101.7	79.8
	$621.0	$580.8	$509.7

The deferred tax provision results from differences in the recognition of income and expense for tax and financial reporting purposes. The primary difference is the calculation of depreciation for tax purposes using accelerated methods and shorter lives (tax effect of $67.6 million in 1992, $75.9 million in 1991 and $112.6 million in 1990).

Under the liability method, at December 31, 1992 the company had deferred tax liabilities of $1,727.4 million and deferred tax assets of $450.5 million. The principal temporary differences included in deferred tax liabilities are related to fixed assets ($1,537.4 million). The principal temporary differences included in deferred tax assets are related to accrued postretirement benefits ($208.8 million) and other accruals and temporary differences ($241.7 million) which are not deductible for tax purposes until paid or utilized.

The company's effective tax rate was 38.4% in 1992, 38.2% in 1991 and 37.7% in 1990. A reconciliation between the statutory rate and the effective rate is presented below:

	1992	*1991*	*1990*
Statutory rate	34.0%	34.0%	34.0%
State income taxes, net of federal benefit	3.9	3.8	3.6
Other	.5	.4	.1
Effective tax rate	38.4%	38.2%	37.7%

10–CASH FLOWS

For purposes of the Statement of Cash Flows, all short-term investments with maturities of 90 days or less are considered cash equivalents. Such amounts include marketable securities of $104.6 million in 1992 and $32.2 million in 1991. The effect of foreign currency exchange rate fluctuations was not material for any of the years ended December 31, 1992, 1991 and 1990.

Supplemental information with respect to the Statement of Cash Flows is presented below (in millions):

	1992	*1991*	*1990*
Interest paid, net of capitalized interest	$ 158.0	$ 205.8	$216.3
Income taxes paid	552.3	480.0	359.8
Excise taxes paid	1,663.0	1,606.6	868.1
Changes in Non-Cash Working Capital			
Decrease/(increase) in non-cash current assets:			
Accounts receivable	$ 5.0	$ (92.2)	$ (34.8)
Inventories	(25.1)	(68.4)	(35.5)
Other current assets	(50.3)	(38.8)	(20.2)
Increase/(decrease) in current liabilities:			
Accounts payable	27.6	(1.4)	103.2
Accrued salaries, wages and benefits	34.0	(24.0)	35.3
Accrued interest payable	(6.1)	(13.8)	12.1
Due to customers for returnable containers	3.7	(.1)	2.4
Accrued taxes, other than income taxes	6.1	39.4	6.1
Estimated income taxes	(6.4)	(34.0)	39.2
Other current liabilities	(1.9)	24.8	15.0
Decrease/(increase) in non-cash working capital	$ (13.4)	$ (208.5)	$122.8

11–PREFERRED AND COMMON STOCK

Stock Activity

Activity in the company's stock categories for each of the three years ended December 31 is summarized below.

	Common Stock Issued	***Common Stock In Treasury***
Balance, December 31, 1989	333,941,814	(50,954,360)
Shares issued under stock plans	1,741,499	
Treasury stock acquired		(2,422,700)
Balance, December 31, 1990	335,683,313	(53,377,060)
Shares issued under stock plans	2,696,554	
Conversions of Convertible Debentures	72,477	
Treasury stock acquired		(23,500)
Balance, December 31, 1991	338,452,344	(53,400,560)
Shares issued under stock plans	2,931,179	
Conversions of Convertible Debentures	16,805	
Treasury stock acquired		(9,597,492)
Balance, December 31, 1992	341,400,328	(62,998,052)

At December 31, 1992 and 1991, 40,000,000 shares of $1.00 par value preferred stock were authorized and unissued.

Stock Repurchase Programs

The Board of Directors has approved various resolutions authorizing the company to purchase shares of its common stock for investment purposes and to meet the requirements of the company's various stock purchase and incentive plans. The most recent resolution was approved in June 1992 authorizing the repurchase of 20 million shares. The company has acquired 9.6 million, 23,500 and 2.4 million shares of common stock in 1992, 1991 and 1990 for $518.7, $1.1 and $86.3 million, respectively. At December 31, 1992, approximately 17.7 million shares were available for repurchase under existing Board of Directors authorizations.

Stockholder Rights Plan

In 1985, the Board of Directors adopted a Stockholder Rights Plan pursuant to which the Board declared a dividend of one preferred stock purchase right on each outstanding share of common stock of the company. The rights have subsequently been amended in certain respects, and the description below reflects the terms of the rights as amended. After the rights become exercisable and until such time as the rights expire or are redeemed, they will entitle the holder to purchase one one-hundredth of a share of a new Series B Junior Participating Preferred Stock, par value $1.00 per share (4,000,000 shares were reserved for issuance at December 31, 1992 and 1991), at a purchase price of $50 per one one-hundredth of a share. The rights will become exercisable on the earlier to occur of (i) the tenth calendar day following a public announcement that a person or group (an "Acquiring Person") has acquired 20% or more of the common stock of the company or (ii) the tenth calendar day following the commencement of a tender offer or exchange offer by a third party which, upon consummation, would result in such party's control of 30% or more of the common stock of the company.

If, at any time after the rights have become non-redeemable, the company is the surviving corporation in a merger with an Acquiring Person and its common stock is not changed or exchanged, or an Acquiring Person becomes the beneficial owner of more than 30% of the then outstanding shares of common stock, each right will entitle the holder, other than the Acquiring Person, to purchase that number of shares of common stock of the company which has a market value of twice the exercise price of the right.

If, at any time after the rights have become non-redeemable, the company is acquired in a merger or other business combination transaction or 50% or more of its assets or earning power is sold, each right will entitle its holder to purchase that number of shares of common stock of the acquiring company which has a market value of twice the exercise price of the right.

The rights, which do not have voting rights, expire on December 18, 1995, and may be redeemed by the company at a price of 2-1/2 cents per right at any time prior to expiration or the date on which the company's Board of Directors permits the rights to become non-redeemable (subject to reinstatement in certain circumstances).

12—COMMITMENTS AND CONTINGENCIES

In connection with plant expansion and improvement programs, the company had commitments for capital expenditures of approximately $270 million at December 31, 1992.

Obligations under capital and operating leases are not material.

The company and certain of its subsidiaries are involved in certain claims and legal proceedings in which monetary damages and other relief are sought. The company is vigorously contesting these claims. However, resolution of these claims is not expected to occur quickly and their ultimate outcome cannot presently be predicted. In any event, it is the opinion of management that any liability of the company or its subsidiaries for claims or proceedings will not materially affect its financial position.

13–BUSINESS SEGMENTS

The company's principal business segments are beer and beer-related, food products and entertainment. The beer and beer-related segment produces and sells the company's beer products. Included in this segment are the company's raw material acquisition, malting, can manufacturing, recycling, communications and transportation operations.

The food products segment consists of the company's food and food-related operations which include the company's baking and snack food subsidiaries and certain rice operations.

The entertainment segment consists of the company's theme parks, baseball, stadium and real estate development operations.

Sales between segments, export sales and non-United States sales are not material. The company's equity in earnings of affiliated companies has been included in other income and expense. No single customer accounted for more than 10% of sales.

Summarized below is the company's business segment information for 1992, 1991 and 1990 (in millions). Intra-segment sales have been eliminated from each segment's reported net sales.

	Net Sales			Operating Income(1)		
	1992	*1991*	*1990*	*1992(2)*	*1991*	*1990*
Beer and Beer-Related	$ 8,609.6	$ 8,323.5	$ 8,151.2	$1,645.4	$1,581.5	$1,455.1
Food Products	2,131.1	2,068.7	1,982.4	75.4	95.0	85.6
Entertainment	684.3	617.9	625.3	54.9	45.0	58.3
Eliminations	(31.3)	(13.8)	(15.3)	—	—	—
Consolidated	$11,393.7	$10,996.3	$10,743.6	$1,775.7	$1,721.5	$1,599.0

(1) Operating income excludes other expense, net, which is not allocated among segments. For 1992, 1991 and 1990 other expense, net of $160.5, $200.9 and $246.9 million, respectively, includes net interest expense, other income and expense, and equity in earnings of affiliated companies.

(2) Operating income for 1992 includes the impact of the adoption of FAS 106, which increased postretirement benefits expense by $55.1 million. Excluding FAS 106, operating income would have been $1,686.9 million for the beer and beer-related segment, $86.8 million for the food products segment and $57.1 million for the entertainment segment.

	Identifiable Assets			Depreciation and Amortization Expense(4)		
	1992	*1991*	*1990*	*1992*	*1991*	*1990*
Beer and Beer-Related	$ 6,864.8	$6,660.6	$6,348.5	$395.1	$381.4	$351.5
Food Products	1,584.1	1,359.7	1,337.2	100.9	89.5	84.7
Entertainment	1,588.2	1,565.7	1,540.0	71.0	63.2	59.5
Corporate (3)	500.8	400.5	408.6	—	—	—
Consolidated	$10,537.9	$9,986.5	$9,634.3	$567.0	$534.1	$495.7

(3) Corporate assets principally include cash, marketable securities, investment in affiliated companies and certain fixed assets.

(4) Consolidated depreciation and amortization expenses include $15.8, $16.0 and $16.3 million of depreciation expense related to corporate assets for 1992, 1991 and 1990, respectively.

	Capital Expenditures		
	1992	*1991*	*1990*
Beer and Beer-Related	$490.4	$511.5	$722.4
Food Products	109.5	82.5	95.8
Entertainment	137.3	108.5	80.7
Consolidated	$737.2	$702.5	$898.9

14–ADDITIONAL INFORMATION

Additional income statement information (in millions):

	1992	1991	1990
Maintenance	$403.0	$405.4	$395.8
Advertising costs	$747.6	$682.6	$613.6

Summarized below is selected financial information for Anheuser-Busch, Inc. (a wholly owned subsidiary of Anheuser-Busch Companies, Inc.) as of and for the year ended December 31 (in millions):

	1992	1991	1990
Income Statement Information:			
Net sales	$7,669.9	$7,475.4	$7,346.4
Gross profit	2,875.6(2)	2,707.5	2,568.8
Net income (1)	860.5(2)	829.4	705.2
Balance Sheet Information:			
Current assets	667.8	653.3	
Non-current assets	9,945.4	9,407.2	
Current liabilities	693.7	707.8	
Non-current liabilities (1)	3,020.6	3,314.3	

(1) Anheuser-Busch, Inc. is co-obligor for all outstanding Anheuser-Busch Companies, Inc. indebtedness. Accordingly, all such debt is included as an element of non-current liabilities and the interest thereon is included in the determination of net income.

(2) Gross profit and net income for 1992 reflect the January 1, 1992 adoption of FAS 106. Excluding the adoption of FAS 106, gross profit would have been $2,907.7 million and net income would have been $883.1 million, respectively.

15–QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for 1992 and 1991 (in millions, except per share data) appears below:

Excluding adoption of FAS 106 and FAS 109

Previously reported gross profit, net income and earnings per share for the first three quarters of 1992, excluding the financial impact of FAS 106 and FAS 109, appear below. Fourth quarter 1992 information is also presented excluding the financial impact of FAS 106 and FAS 109.

	Net Sales		Gross Profit		Net Income		Earnings Per Share Primary		Earnings Per Share Fully Diluted	
	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991
First quarter	$ 2,621.1	$ 2,541.4	$ 940.3	$ 869.7	$ 224.0	$200.9	$ .77	$ .70	$ .77	$ .70
Second quarter	2,953.4	2,845.3	1,102.2	1,026.1	317.2	286.7	1.10	1.00	1.09	.99
Third quarter	3,091.6	2,943.4	1,148.9	1,065.3	318.0	293.0	1.12	1.01	1.11	1.01
Fourth quarter	2,727.6	2,666.2	931.0	886.5	170.0	159.2	.61	.55	.61	.55
Total year	$11,393.7	$10,996.3	$4,122.4	$3,847.6	$1,029.2	$939.8	$3.60	$3.26	$3.58	$3.25

Including adoption of FAS 106 and FAS 109

Gross profit, net income and earnings per share for each quarter of 1992 have been retroactively restated to reflect the company's adoption, as of January 1, 1992, of FAS 106 and FAS 109.

	Net Sales		***Gross Profit***		***Net Income***		***Earnings Per Share*** ***Primary***		***Earnings Per Share*** ***Fully Diluted***	
	1992	*1991*	*1992*	*1991*	*1992*	*1991*	*1992*	*1991*	*1992*	*1991*
First quarter	*$ 2,621.1*	$ 2,541.4	*$ 930.9*	$ 869.7	*$138.4*	$200.9	*$ .48*	$ .70	*$ .48*	$ .70
Second quarter	*2,953.4*	2,845.3	*1,092.8*	1,026.1	*308.4*	286.7	*1.07*	1.00	*1.06*	.99
Third quarter	*3,091.6*	2,943.4	*1,139.4*	1,065.3	*309.1*	293.0	*1.09*	1.01	*1.08*	1.01
Fourth quarter	*2,727.6*	2,666.2	*921.5*	886.5	*161.6*	159.2	*.58*	.55	*.58*	.55
Total year	*$11,393.7*	$10,996.3	*$4,084.6*	$3,847.6	*$917.5*	$939.8	*$3.22*	$3.26	*$3.20*	$3.25

For accounting purposes, the net effect of the one-time cumulative effect adjustments of $76.7 million for years prior to 1992, for both FAS 106 and FAS 109, is reflected entirely in the first quarter of 1992. The ongoing expense impact of FAS 106 on gross profit, net income and earnings per share for 1992 is allocated among the four quarters. The 1992 impact of FAS 109 was immaterial.

Financial Summary—Operations

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share data)

	1992	*1991*	*1990*
CONSOLIDATED SUMMARY OF OPERATIONS			
Barrels sold	86.8	86.0	86.5
Sales	$13,062.3	$12,634.2	$11,611.7
Federal and state excise taxes	1,668.6	1,637.9	868.1
Net sales	11,393.7	10,996.3	10,743.6
Cost of products and services	7,309.1	7,148.7	7,093.5
Gross profit	4,084.6	3,847.6	3,650.1
Marketing, distribution and administrative expenses	2,308.9	2,126.1	2,051.1
Operating income	1,775.7(1)	1,721.5	1,599.0
Interest expense	(199.6)	(238.5)	(283.0)
Interest capitalized	47.7	46.5	54.6
Interest income	7.1	9.2	7.0
Other income/(expense), net	(15.7)	(18.1)	(25.5)
Gain on sale of Lafayette plant	—	—	—
Income before income taxes	1,615.2(1)	1,520.6	1,352.1
Income taxes	621.0	580.8	509.7
Net income, before cumulative effect of accounting changes	994.2(1)	939.8	842.4
Cumulative effect of changes in the method of accounting for postretirement benefits (FAS 106) and income taxes (FAS 109), net of tax benefit of $186.4 million	(76.7)	—	—
NET INCOME	$ 917.5	$ 939.8	$ 842.4
PRIMARY EARNINGS PER SHARE:			
Net income before cumulative effect	$ 3.48(1)	$ 3.26	$ 2.96
Cumulative effect of accounting changes	(.26)	—	—
Net income	$ 3.22	$ 3.26	$ 2.96
FULLY DILUTED EARNINGS PER SHARE:			
Net income before cumulative effect	$ 3.46(1)	$ 3.25	$ 2.95
Cumulative effect of accounting changes	(.26)	—	—
Net income	$ 3.20	$ 3.25	$ 2.95
Cash dividends paid:			
Common stock	338.3	301.1	265.0
Per share	1.20	1.06	.94
Preferred stock	—	—	—
Per share	—	—	—
Average number of common shares:			
Primary	285.8	287.9	284.6
Fully diluted	290.8	292.9	289.7

NOTES TO FINANCIAL SUMMARY—OPERATIONS

Note: All per share information and average number of common shares data reflect the September 12, 1986 two-for-one stock split and the June 14, 1985 three-for-one stock split. All amounts reflect the acquisition of Campbell Taggart, Inc. as of November 2, 1982 and the acquisition of Sea World as of December 1, 1989. Financial information prior to 1988 has been restated to reflect the adoption in 1988 of Financial Accounting Standards No. 94, Consolidation of Majority-Owned Subsidiaries.

1989	*1988*	*1987*	*1986*	*1985*	*1984*	*1983*	*1982*
80.7	78.5	76.1	72.3	68.0	64.0	60.5	59.1
$10,283.6	$9,705.1	$9,110.4	$8,478.8	$7,756.7	$7,218.8	$6,714.7	$5,251.2
802.3	781.0	760.7	724.5	683.0	657.0	624.3	609.1
9,481.3	8,924.1	8,349.7	7,754.3	7,073.7	6,561.8	6,090.4	4,642.1
6,275.8	5,825.5	5,374.3	5,026.5	4,729.8	4,464.6	4,161.0	3,384.3
3,205.5	3,098.6	2,975.4	2,727.8	2,343.9	2,097.2	1,929.4	1,257.8
1,876.8	1,834.5	1,826.8	1,709.8	1,498.2	1,338.5	1,226.4	758.8
1,328.7	1,264.1	1,148.6	1,018.0	845.7	758.7	703.0	499.0
(177.9)	(141.6)	(127.5)	(99.9)	(96.5)	(106.0)	(115.4)	(93.2)
51.5	44.2	40.3	33.2	37.2	46.8	32.9	41.2
12.6	9.8	12.8	9.6	21.3	22.8	12.5	17.0
11.8	(16.4)	(9.9)	(13.6)	(23.3)	(29.6)	(14.8)	(5.8)
—	—	—	—	—	—	—	20.4
1,226.7	1,160.1	1,064.3	947.3(2)	784.4	692.7	618.2	478.6
459.5	444.2	449.6	429.3	340.7	301.2	270.2	191.3
767.2	715.9	614.7	518.0(2)	443.7	391.5	348.0	287.3(3)
—	—	—	—	—	—	—	—
$ 767.2	$ 715.9	$ 614.7	$ 518.0(2)	$ 443.7	$ 391.5	$ 348.0	$ 287.3(3)
$ 2.68	$ 2.45	$ 2.04	$ 1.69(2)	$ 1.42	$ 1.23	$ 1.08	$ 1.00(3)
—	—	—	—	—	—	—	—
$ 2.68	$ 2.45	$ 2.04	$ 1.69(2)	$ 1.42	$ 1.23	$ 1.08	$ 1.00(3)
$ 2.68	$ 2.45	$ 2.04	$ 1.69(2)	$ 1.42	$ 1.23	$ 1.08	$ .98(3)
—	—	—	—	—	—	—	—
$ 2.68	$ 2.45	$ 2.04	$ 1.69(2)	$ 1.42	$ 1.23	$ 1.08	$ .98(3)
226.2	188.6	148.4	120.2	102.7	89.7	78.3	65.8
.80	.66	.54	.44	.36⅔	.31⅓	.27	.23
—	—	20.1	26.9	27.0	27.0	29.7	—
—	—	3.23	3.60	3.60	3.60	3.60	—
286.2	292.2	301.5	306.6	312.6	317.4	321.0	288.6
286.2	292.2	301.5	306.6	312.6	317.4	321.0	294.5

(1) 1992 operating income, income before income taxes, net income and earnings per share reflect the 1992 adoption of the new Financial Accounting Standards pertaining to Postretirement Benefits (FAS 106) and Income Taxes (FAS 109). Excluding the financial impact of these Standards, 1992 operating income, income before income taxes, net income and fully diluted earnings per share would have been $1,830.8, $1,676.0, $1,029.2 and $3.58, respectively.

(2) Effective January 1, 1986, the company adopted the provisions of Financial Accounting Standards No. 87 (FAS 87), Employers' Accounting For Pensions. The financial effect of FAS 87 adoption was to increase 1986 income before income taxes $45 million, net income $23 million and earnings per share $.08.

(3) Net income and net income per share include a nonrecurring gain on the sale of the corn refining plant in Lafayette, Ind. This nonrecurring gain increased net income $13.3 million, primary earnings per share $.05 and fully diluted earnings per share $.04.

FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share and statistical data)

	1992	*1991*	*1990*
BALANCE SHEET INFORMATION			
Working capital (deficit)	$ 356.0	$ 224.9	$ 14.4
Current ratio	1.2	1.2	1.0
Plant and equipment, net	7,523.7	7,196.5	7,063.8
Long-term debt	2,642.5	2,644.9	3,147.1
Total debt to total debt plus equity	36.4%	37.3%	46.1%
Deferred income taxes	1,276.9	1,500.7	1,396.2
Convertible redeemable preferred stock	—	—	—
Shareholders equity	4,620.4	4,438.1	3,679.1
Return on shareholders equity	22.0%(2)	23.2%	24.9%
Book value per share	16.60	15.57	13.03
Total assets	10,537.9	9,986.5	9,634.3
OTHER INFORMATION			
Capital expenditures	737.2	702.5	898.9
Depreciation and amortization	567.0	534.1	495.7
Effective tax rate	38.4%	38.2%	37.7%
Price/earnings ratio	16.9 (3)	18.9	14.6
Percent of pretax profit on net sales	14.2%	13.8%	12.6%
Market price range of common stock (high/low)	60½-52¼	61½-39⅝	45-34¼

NOTES TO FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Note: All per share information reflects the September 12, 1986 two-for-one stock split and the June 14, 1985 three-for-one stock split. All amounts reflect the acquisition of Campbell Taggart, Inc. as of November 2, 1982 and the acquisition of Sea World as of December 1, 1989. Financial information prior to 1988 has been restated to reflect the adoption in 1988 of Financial Accounting Standards No. 94, Consolidation of Majority-Owned Subsidiaries.

(1) This percentage has been calculated by including convertible redeemable preferred stock as part of equity because it was convertible into common stock and was trading primarily on its equity characteristics.

(2) This percent has been calculated based on net income before the cumulative effect of accounting changes.

(3) This ratio has been calculated based on fully diluted earnings per share before the cumulative effect of accounting changes.

1989	1988	1987	1986	1985	1984	1983	1982
$ (25.7)	$ 15.2	$ 75.8	$ (3.7)	$ 116.0	$ 71.5	$ 173.1	$ 60.2
1.0	1.0	1.1	1.0	1.1	1.1	1.2	1.1
6,671.3	5,467.7	4,994.8	4,494.9	3,960.8	3,579.5	3,269.8	3,057.3
3,307.3	1,615.3	1,422.6	1,164.0	904.7	879.5	1,003.1	1,029.9
52.4%	34.2%	33.0%	31.6%(1)	26.9%(1)	28.2%(1)	32.8%(1)	36.8%(1)
1,315.9	1,212.5	1,164.3	1,094.0	964.7	757.9	574.3	455.2
—	—	—	286.9	287.6	286.9	286.0	285.0
3,099.9	3,102.9	2,892.2	2,313.7	2,173.0	1,951.0	1,766.5	1,526.6
24.7%	23.9%	22.4%	20.5%(1)	18.9%(1)	18.2%(1)	18.0%(1)	19.9%(1)
10.95	10.95	9.87	8.61	7.84	6.91	6.09	5.27
9,025.7	7,109.8	6,547.9	5,898.1	5,192.9	4,592.5	4,386.8	3,965.2
1,076.7	950.5	841.8	796.2	611.3	532.3	441.3	380.9
410.3	359.0	320.1	281.2	240.0	207.9	191.3	136.9
37.5%	38.3%	42.2%	45.3%	43.4%	43.5%	43.7%	40.0%
14.4	12.9	16.4	15.5	14.9	9.8	9.6	11.0
12.9%	13.0%	12.7%	12.2%	11.1%	10.6%	10.2%	10.3%
45⅞-30⅝	34⅛-29⅛	39¾-26⅜	28⅝-20	22⅞-11⅞	12⅜-8⅞	12⅞-9¾	11⅞-6½

THE CORPORATION

Anheuser-Busch Companies, Inc. is a diversified corporation whose subsidiaries include the world's largest brewing organization, the country's second-largest producer of fresh-baked goods and the country's second-largest theme park operator. The company also has interests in container manufacturing and recycling, malt and rice production, international brewing and beer marketing, snack foods, international baking, refrigerated and frozen foods, real estate development, major league baseball, stadium ownership, creative services, railcar repair and transportation services, and metalized-label printing.

TRADEMARKS

Trademarks of the corporation and its subsidiaries include: Anheuser-Busch, the A & Eagle Design, Budweiser, Bud, Bud Dry, Bud Light, King of Beers, Michelob, Michelob Dry, Michelob Light, Michelob Classic Dark, Michelob Golden Draft, Mich, Busch, Natural Light, King Cobra, O'Doul's, Busch Gardens, Adventure Island, Kingsmill, Cardinals, Eagle (for snacks), Rainbo, Colonial, Earth Grains, El Charrito, Sea World and Shamu, among others.

ANNUAL MEETING

The annual meeting of shareholders will be held on Wednesday, April 28, 1993, in St. Louis, Mo. A formal notice of the meeting together with a proxy statement will be mailed to shareholders in mid-March 1993.

ADDITIONAL INFORMATION

A copy of the company's annual report to the Securities and Exchange Commission (Form 10-K) is available to shareholders without charge upon written request to JoBeth G. Brown, Vice President and Secretary, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Mo. 63118.

A copy of the corporation's "Fact Book," which contains general information about the company, may be obtained by writing to Corporate Communications, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Mo. 63118.

COMMON STOCK

Anheuser-Busch Companies, Inc. common stock is listed and traded on the New York Stock Exchange and the London, Frankfurt, Paris, Zurich, Geneva, Basle and Tokyo Stock Exchanges. It is also traded on the Boston, Midwest, Cincinnati, Pacific and Philadelphia Stock Exchanges and the over-the-counter market. Options in the company's common stock are traded on the Philadelphia Stock Exchange. The stock is quoted as "Anheus" or "AnheuserB" in stock table listings in daily newspapers in the U.S.; the abbreviated ticker symbol is "BUD."

DIVIDENDS

Dividends on common stock are normally paid in the months of March, June, September and December.

DIVIDEND REINVESTMENT

The company's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Anheuser-Busch Companies, Inc. common stock automatically, regularly and conveniently—without service charges or brokerage fees. In addition, participating shareholders may supplement the amount invested with voluntary cash investments on the same cost-free basis. Plan participation is voluntary and shareholders may join or withdraw at any time.

Full details concerning the plan are available by writing to First Chicago Trust Company of N.Y., Dividend Reinvestment Plan, P.O. Box 3506, New York, N.Y. 10008-3506. Be certain to include a reference to Anheuser-Busch Companies, Inc. Plan information can also be obtained by writing to Administrative Services, Anheuser-Busch Companies, Inc., Bldg. 181-1, One Busch Place, St. Louis, Mo. 63118.

TRANSFER AGENT AND REGISTRAR–COMMON STOCK	Boatmen's Trust Company 510 Locust Street St. Louis, Mo. 63101 (314) 466-1357 (local) (800) 456-9852 (long distance)
DIVIDEND DISBURSING AGENT	Boatmen's Trust Company 510 Locust Street St. Louis, Mo. 63101 (314) 466-1357 (local) (800) 456-9852 (long distance)
TRUSTEE–DEBENTURES/NOTES	For all notes and debentures: Chemical Bank 55 Water Street New York, N.Y. 10041
FISCAL AGENT–NOTES	8% dual-currency Japanese yen / U.S. dollar notes: The Industrial Bank of Japan, Limited 3-3 Marunouchi 1-Chome Chiyoda-ku Tokyo 100, Japan
INDEPENDENT ACCOUNTANTS	Price Waterhouse One Boatmen's Plaza St. Louis, Mo. 63101
CORPORATE OFFICE	One Busch Place St. Louis, Mo. 63118 (314) 577-2000

OFFICERS

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President and Chief Operating Officer

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ANHEUSER-BUSCH COMPANIES, INC. **Annual Report 1992**

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